

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & MORRIS

ATTORNEYS AND COUNSELORS AT LAW

350 EAST PALACE AVENUE

SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307

AREA CODE 505

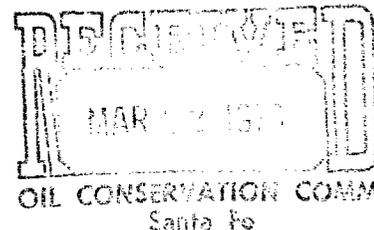
TELEPHONE 982-3876

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. R. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
RICHARD S. MORRIS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III

OWEN M. LOPEZ
JEFFREY R. BRANNEN
JOHN BENNETT POUND

March 21, 1973



Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, N.M. 87501

RE: NMOCC Case No. 4682, Application of El Paso Natural Gas Company for Amendment of the Rules and Regulations Governing the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico

Dear Mr. Porter:

On behalf of El Paso Natural Gas Company, we request that the subject case be dismissed. We would appreciate the Commission, in its Order of Dismissal, specifically providing that the dismissal is without prejudice to El Paso's right to make new application with the Commission at a later date.

At the time this case was filed, and at the various times the case has been continued, we expected the Federal Power Commission to take immediate action in its docket No. RP-425 concerning the establishment of an area rate applicable to the San Juan Basin. It now appears that it may be some time before the Commission acts in that matter, particularly in view of the pending Congressional legislation which would affect the Commission's overall administration of gas pricing. At such time as these matters are resolved sufficiently to permit economic analysis of infill drilling, El Paso may wish to file a new application with the Commission.

Very truly yours,

A handwritten signature in cursive script that reads "Richard J. Morris".

RSM:F
2652

cc: Mr. A. M. Derrick
Vice President
El Paso Natural Gas Co.
P.O. Box 1492
El Paso, Texas 79998

Mr. David H. Rainey
El Paso Natural Gas Co.
P.O. Box 198
Santa Fe, N.M. 87501



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 27, 1973

Re: Case No. 4682

Order No. R-4498

Applicant:

El Paso Natural Gas Company

Mr. Richard S. Morris
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

Other All interested parties



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

NOVEMBER 20, 1972

M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE
BLANCO-MESAVERDE GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural
Gas Company for amendment of the Rules and
Regulations governing the Blanco-Mesaverde
Gas Pool, San Juan and Rio Arriba Counties,
New Mexico.

This is official notice that the above-
described case has been continued from December 13, 1972
to April 18, 1973. The hearing will begin at 9 a.m. in
Morgan Hall, State Land Office Building, Santa Fe, New Mexico.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & MORRIS

ATTORNEYS AND COUNSELORS AT LAW

350 EAST PALACE AVENUE

SANTA FE, NEW MEXICO 87501

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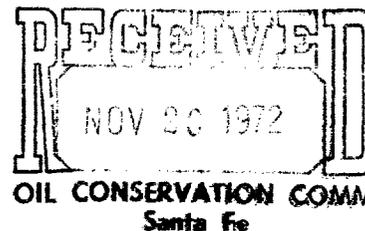
TELEPHONE 982-3876

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. R. FEDERICI
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RICHARD S. MORRIS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III

OWEN M. LOPEZ
JEFFREY R. BRANNEN
JOHN BENNETT POUND

November 20, 1972



New Mexico Oil Conservation Commission
PO Box 2088
Santa Fe, New Mexico 87501

Re: NMOCC Case No. 4682, Application of El Paso Natural Gas Co.
for amendment of the Rules and Regulations governing the
Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba
Counties, New Mexico.

Gentlemen:

On behalf of El Paso Natural Gas Company, applicant in the above
case, we wish to request that the hearing presently scheduled for
December 13, 1972, be continued for approximately 60 days.

At the time this case was filed and at the time the case was con-
tinued to the December 13, 1972, hearing date, we expected the
Federal Power Commission to take immediate action in its Docket
No. RP-425 concerning the establishment of an area rate applicable
to the San Juan Basin. Recent action by the Federal Power Commission
in other proceedings indicates that it may soon resolve the pricing
problems in the San Juan Basin, which we feel should be accomplished
before proceeding with the subject case in order that all operators
may fully evaluate their respective positions.

Very truly yours,

A handwritten signature in cursive script that reads "Richard S. Morris".

RSM:JF
2652

cc: Mr. Jack M. Campbell
Olmsted, Cohen & Bingaman
PO Box 877
Santa Fe, NM 87501
Mr. Clarence E. Hinkle
Hinkle, Bondurant, Cox & Eaton
PO Box 10
Roswell, NM 88201

cc: Mr. Douglas W. Fraser
Agency Assistant Attorney General
PERA Bldg.
PO Box 2348
Santa Fe, NM 87501

Mr. Frank Coppler
PO Box 846
Santa Fe, NM 87501

Mr. James L. Parmelee, Jr.
Staff Counsel, Public Service Commission
Bataan Memorial Bldg.
Santa Fe, NM 87501

Mr. David T. Burleson
Office of General Counsel
El Paso Natural Gas Co.
PO Box 1492
El Paso, Texas 79999

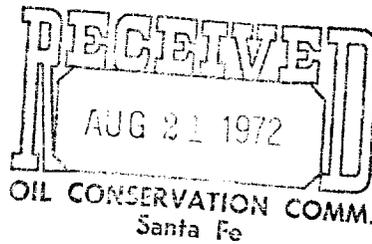
Mr. Jason W. Kellahin
PO Box 1769
Santa Fe, NM 87501

UNIVERSAL RESOURCES CORPORATION

11411 NORTH CENTRAL EXPRESSWAY



DALLAS, TEXAS 75231
AREA 214/691-0040



REPLY TO:
1720 COLORADO STATE BANK BUILDING
DENVER, COLORADO 80202
AREA 303/572-1511

AUGUST 18, 1972

Personal

Mr. Al Porter, Jr., Sec'y. - Dir.
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Pete:

A separate letter has been mailed today. It is self-explanatory. Please call me collect if my personal appearance at the spacing hearing August 29 would lend any help to the problem. Best regards.

Sincerely,

Curtis J. Little

dm

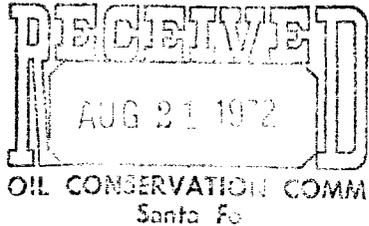
UNIVERSAL RESOURCES CORPORATION

11411 NORTH CENTRAL EXPRESSWAY



DALLAS, TEXAS 75231
AREA 214/691-0040

August 18, 1972



REPLY TO:
1720 COLORADO STATE BANK BUILDING
DENVER, COLORADO 80202
AREA 303/572-1511

Re: Mesaverde Spacing Hearing
August 29, 1972

New Mexico Oil Conservation Commission
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Al Porter, Jr.
Secretary-Director

Gentlemen:

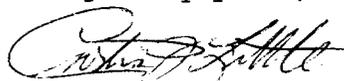
I have been a resident of the state of New Mexico for sixteen years engaged in the exploration for and the production of oil and gas in the Four Corners. I hold a Bachelor of Science degree in Geology from Southern Methodist University, 1950. Some of my activities in the industry are as follows:

Past President	-	Albuquerque Petroleum Club
Past President	-	Albuquerque Geological Society
Past President	-	New Mexico Geological Society
Past President	-	Rocky Mountain Section, American Association Petroleum Geologists

Certified Petroleum Geologist No. 50 (By the A.A.P.G.)

It is my desire as an individual and as Division Manager, Rocky Mountain Division, Universal Resources Corporation, to urge the granting of 160-acre spacing for Mesaverde gas in the San Juan Basin. In my opinion, after sixteen years' experience working in the San Juan Basin, the character of the tight Mesaverde sands can not be drained by 320-acre spacing. By granting the application for 160-acre spacing, the economy of the state of New Mexico will be immensely enhanced, by the eventual drilling of 2000 wells costing approximately 200 million dollars, and from state taxes from the gas production. Gas has been produced commercially in the San Juan Basin for fifty years and in my opinion by the granting of the application another fifty years of production is assured.

Very truly yours,


Curtis J. Little



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 17, 1972

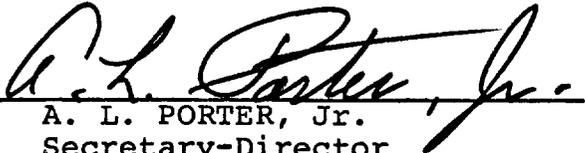
M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE BLANCO-MESAVERDE GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural Gas Company for amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico.

This is official notice that at a meeting of the Commission on August 16, 1972, the above-described case was continued from August 29, 1972, to December 13, 1972. The hearing will begin at 9 a.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.


A. L. PORTER, Jr.
Secretary-Director

ALP/dr



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

August 17, 1972

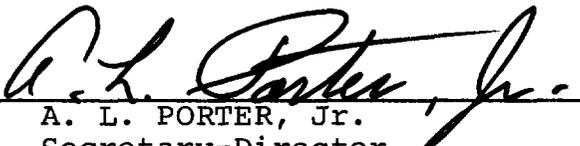
M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE BLANCO-MESAVERDE GAS POOL

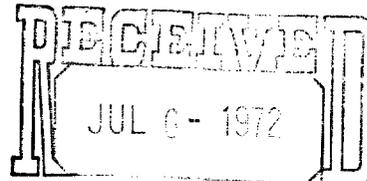
FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural Gas Company for amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico.

This is official notice that at a meeting of the Commission on August 16, 1972, the above-described case was continued from August 29, 1972, to December 13, 1972. The hearing will begin at 9 a.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.


A. L. PORTER, Jr.
Secretary-Director

ALP/dr



BEFORE THE OIL CONSERVATION COMMISSION
Santa Fe

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE)
FOR THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

CASE NO. 4682

ANSWER OF NEW MEXICO PUBLIC SERVICE COMMISSION
TO QUESTIONS PROPOUNDED BY COUNSEL FOR THE
OIL CONSERVATION COMMISSION

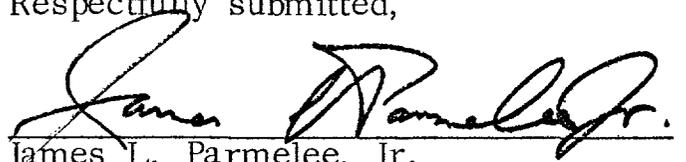
1. Q. Does the Public Service Commission own any property in the Blanco-Mesa Verde Pool?
A. No.
2. Q. Does anyone you represent own any property in the pool?
A. Some utilities under the supervision and regulation of the Public Service Commission own property in the pool.
3. Q. Are you seeking more gas production from the pool?
A. No.
4. Q. Are you seeking less gas -- some gas?
A. No.
5. Q. Is it your contention that you or anyone that you profess to represent has such an interest that you could come before this Commission in a separate case to adopt certain spacing rules in the pool?
A. No. (Except utilities owning property in the pool.)
6. Q. It it your contention that though you, Public Service Commission, do not have a property right in the pool but that the public has such a vital interest in the proper spacing of wells in the pool that it should be represented in this case?
A. Yes, the Public Service Commission is bound by statute to represent the interests of public utilities, consumers of

utility products and the general public and the duty to ensure, to the extent of its ability, that utilities continue to serve the public.

7. Q. Is it your contention that because you represent a state agency (state subdivision) you have a right to intervene?
- A. Not a "right" to intervene but hopefully a "privilege" to intervene because of the Public Service Commission's interest.
8. Q. What will you (or the ones you represent) gain or lose by the direct operation of the Commission's decision?
- A. The answer to this question is unknown at this time but will hopefully be developed by the evidence presented.
9. Q. Is that a certainty or is it mere speculative or contingent?
- A. This will hopefully be answered by the evidence presented.
10. Q. Will you (or the ones you represent) be bound in any way by the decision of this Commission?
- 2 A. Yes, the short and long range gas supply for New Mexico utilities will be affected and the Public Service Commission will be bound by the decision.
11. Q. Do you foresee that the Commission's decision will in anyway encroach upon the authority of the agency you represent?
- A. No.
12. Q. Do you foresee that any rule or regulation of your agency will be subject of interpretation in this hearing?
- A. No.
13. Q. Is it your contention that the Commission has the authority to directly control the amount of gas to be used in the state -- out of state? -- Regardless of waste and correlative rights?
- A. No.
14. Q. Is it your contention that the Commission has the authority to indirectly control the amount of gas to be used in the state -- out of the state? -- Regardless of waste and correlative rights?

- 2
- A. Yes, the granting or denying of the application will have precisely this effect.
15. Q. Does the Public Service Commission have any control over the amount of gas committed to instate use -- out of state use?
- A. No.

Respectfully submitted,



James L. Parmelee, Jr.

Staff Counsel

New Mexico Public Service Commission

Bataan Memorial Building

Santa Fe, New Mexico 87501

cc: El Paso Natural Gas Company
Southern Union Gas Company
New Mexico Municipal League, Inc.
Environmental Improvement Agency
New Mexico State Planning Office

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

JUNE 30, 1972

M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE BLANCO-
MESAVERDE GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural
Gas Company for amendment of the Rules and
Regulations governing the Blanco-Mesaverde
Gas Pool, San Juan and Rio Arriba Counties,
New Mexico.

This is official notice that the above-
described case has been continued from JULY 19, 1972 to
AUGUST 29, 1972. The hearing will begin at 9 a.m. in
Morgan Hall, State Land Office Building, Santa Fe, New
Mexico.

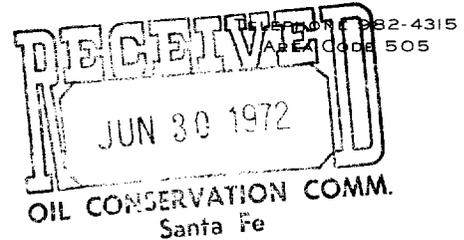

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

June 29, 1972



Mr. A. L. Porter, Jr., Director
Oil Conservation Commission of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 4682, Application of El Paso Natural
Gas Company for Adoption of Rules, Blanco
Mesaverde Pool.

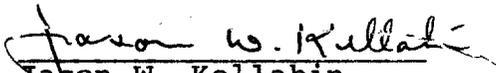
Dear Mr. Porter:

Pursuant to the provisions of Commission Rule 1208,
the undersigned enter their appearance in the
above case as attorneys for Continental Oil
Company.

By copy of this letter, notice is given to parties
of record in the above proceeding with a request
that we be furnished with such pleadings, pleas
or motions as may hereafter be filed in this
case, as provided in said rule.

Yours very truly,

KELLAHIN & FOX

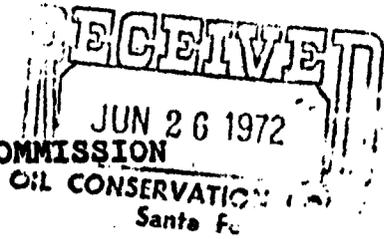
By 
Jason W. Kellahin

JWK:brs

cc: Mr. Richard S. Morris
Attorney for El Paso Natural Gas Co.

Hon. Jack M. Campbell
Attorney for Southern Union Gas Co.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

RESPONSE

El Paso Natural Gas Company hereby responds to the Motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company for an Order limiting and defining the evidence which it will receive and consider in this case, and states:

1. The Applicant, El Paso Natural Gas Company, recognizes that any Order entered by the Commission approving the Application in this case must be based upon prevention of waste and protection of correlative rights, pursuant to the Oil and Gas Conservation Statutes of New Mexico.

2. In addition to the powers and duties conferred upon the Commission by the Oil and Gas Conservation Statutes, the Commission ~~also~~ is authorized and required to consider the manner in which its actions may affect the environment, and the Commission is required to make a detailed Environmental Impact Statement in connection with any major state action which significantly affects the quality of the human environment. The Commission must determine whether this case is of such a nature as to require preparation of such a Statement, and to that end the Commission should receive and consider evidence relating to the various factors specified in Section 12-20-6 N.M.S.A., which it must consider if it determines that an Environmental Impact Statement is required in this case.

3. The Commission should receive and consider evidence relative to the market demand for gas from the San Juan Basin and from the Blanco-Mesaverde Gas Pool in particular, and should consider all the effects of its actions in this case (including those environmental in nature) not only upon the producers, but also upon the purchasers, distributors and ultimate consumers of this gas. In this regard, the Commission should not blind itself to the national energy crisis and the serious problems currently facing the natural gas industry throughout the country; nor is the Commission required by law to disregard such important matters.

The Commission has the authority, as well as the duty, to determine that a market exists for the additional deliverability that will be developed by the drilling of additional wells if the Application is approved. Obviously, the economic feasibility of the infill drilling program is directly related to market conditions and is predicated upon the assumption of a firm demand for gas from the San Juan Basin.

The Commission also should consider the waste, both physical and economic, which will result if the productive life of the Blanco-Mesaverde Gas Pool is permitted to continue beyond the physical capability of existing wells and related facilities and beyond the time that natural gas can be expected to fulfill a significant portion of the total energy requirements of the state and nation. El Paso is prepared to present evidence to the effect that, although the productive life of the pool will be shortened, additional reserves will be recovered as a direct result of the infill drilling program and, in any event, the additional deliverability developed by the drilling of additional wells pursuant to the approval of the Application in this case will result in greater deliverability of gas from the Blanco-Mesaverde Gas Pool at the end of a 20-year period than would

exist if the additional development does not occur.

4. In order to ensure proper recognition of all factors pertinent to this case, and in order not to preclude any such matters, the Commission should refrain from entering an order limiting and defining the evidence which it will receive and consider in this matter.

WHEREFORE, the Motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company should be denied.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& MORRIS

By Richard J. Morris
P.O. Box 2307
Santa Fe, N.M. 87501

Attorneys for El Paso Natural Gas Company

CERTIFICATE OF MAILING

I hereby certify that I caused to be mailed a true and correct copy of the foregoing Response to MR. JACK M. CAMPBELL of Olmsted, Cohen & Bingaman, Attorneys for Southern Union Gas Company, P.O. Box 877, Santa Fe, N.M. 87501; MR. CLARENCE E. HINKLE of Hinkle, Bondurant, Cox & Eaton, P.O. Box 10, Roswell, N.M. 88201, Attorneys for Aztec Oil & Gas Company; to MR. DOUGLAS W. FRASER, Agency Assistant Attorney General for Environmental Improvement Agency, PERA Building, P.O. Box 2348, Santa Fe, N.M. 87501; MR. FRANK COPPLER, Attorney for New Mexico Municipal League, P.O. Box 846, Santa Fe, N.M. 87501; and MR. JAMES L. PARMELEE, JR., Staff Counsel for New Mexico Public Service Commission, Bataan Memorial Building, Santa Fe, N.M. 87501, this 26th day of June, 1972.

Richard J. Morris

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 15, 1972

Mr. R. B. Giles
Amoco Production Company
Security Life Building
Denver, Colorado 80202

Gentlemen:

Please find enclosed copies of motions in
Case 4682 to be heard at 9 a.m. June 29, 1972,
as you requested.

Very truly yours,

S/6-15-72

GEORGE M. HATCH
Attorney

GMH/dr
enclosures

C
O
P
Y

Rec'd
5-30-72
A.H.P.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

MOTION

Comes now, Jack M. Campbell, one of the attorneys for Southern Union Production Company, Southern Union Gathering Company and Southern Union Gas Company, enters his appearance in this matter on behalf of said companies, and for their Motion to the Commission states:

1. Applicant, El Paso Natural Gas Company, by its Response to Motion for Continuance (Paragraph 4) recites that its evidence "will show that approval of its application will enable it to supply gas to meet the needs of consumers who are dependent upon El Paso for their supply of natural gas, including Southern Union Gas Company and the other utilities who distribute natural gas to New Mexico consumers. El Paso intends to demonstrate that approval of its application in this case will alleviate gas shortages and will reduce the possibility of its being forced to curtail deliveries of gas to Southern Union Gas Company and other distributors in the State of New Mexico who obtain a portion of their gas supply from El Paso Natural Gas Company."

2. The laws of New Mexico clearly establish jurisdictional limits to this Commission in the discharge of its statutory duties and powers. No order may be issued by the Commission except it stems from or is made necessary by the prevention of waste or the

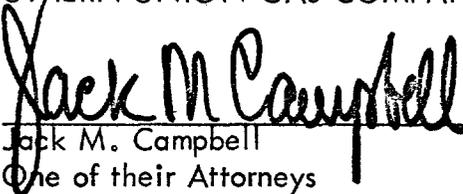
protection of correlative rights. The matters referred to in Applicant's Response to Motion for Continuance do not come within the jurisdictional limits described above.

3. To permit any evidence other than that relating to matters of prevention of waste and protection of correlative rights, as defined by the Statutes of New Mexico, is unlawful and will seriously prejudice any final order which the Commission may, after hearing, issue in this matter.

WHEREFORE: Movants request the Commission to issue its order limiting and defining the evidence which it will receive and consider in this matter and restricting such evidence to those matters provided for by the Statutes of New Mexico.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY
SOUTHERN UNION GATHERING COMPANY
SOUTHERN UNION GAS COMPANY

By: 
Jack M. Campbell
One of their Attorneys

Dated: May 30, 1972

I hereby certify that copies of this Motion have this date been mailed to Attorneys of record in this matter at their business addresses.


Jack M. Campbell



Amoco Production Company

Security Life Building
Denver, Colorado 80202

May 24, 1972

File: VDP-251-986.511

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. A. L. Porter, Jr.

Gentlemen:

Re: Case 4682, Blanco-Mesaverde Gas Pool

Please refer to your memorandum dated May 16, 1972, advising that arguments on all motions in the above described case will now be heard at 9:00 a.m. on June 29, 1972.

Amoco Production Company, as an owner and operator of a number of wells completed in the Blanco-Mesaverde gas pool, is an interested party in this proceeding. We would, therefore, appreciate being advised concerning all motions to be heard on June 29, 1972.

Yours very truly,

Vinton D. Pierce

VDP:pk/ka



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

MAY 16, 1972

M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE BLANCO-
MESAVERDE GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural
Gas Company for amendment of the Rules and
Regulations governing the Blanco-Mesaverde
Gas Pool, San Juan and Rio Arriba Counties,
New Mexico.

Please refer to Notice of Continuance in the
above-described case and be advised that the date for
arguments on all motions has been changed from 9 a.m. June
27, 1972 to 9 a.m. on June 29, 1972.


A. L. PORTER, Jr.
Secretary-Director

ALP/ir

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE) CASE NO. 4682
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

TO ALL PERSONS INTERESTED IN THE
BLANCO-MESAVERDE POOL.

NOTICE OF CONTINUANCE

The above-described Case 4682 came on for hearing at 9 a.m. on May 2, 1972, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

That the Commission, a quorum being present, and being fully advised in the premises, continued Case 4682. The Case to be heard at 9 a.m., July 19, 1972, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.

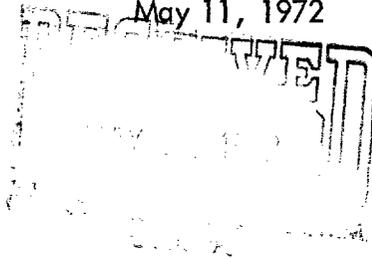
The Commission further declared that motions may be filed in the Case until June 1, 1972, and that arguments on all motions, including those which have already been filed, will be heard at 9 a.m. on June 27, 1972, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.


A. L. PORTER, Jr.
Secretary-Director

AMERADA HESS CORPORATION

P. O. BOX 2040
TULSA, OKLAHOMA 74102
918-584-5554

May 11, 1972



GAA

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Re: Case No. 4682
Blanco-Mesaverde Gas Pool
San Juan & Rio Arriba Counties

Gentlemen:

By this letter, Amerada Hess Corporation enters its formal appearance in the captioned case. Amerada Hess owns interest in a number of wells in the Pool.

The purpose of making a formal appearance in the case at this time is to assure receipt of any notice of continuance that may be issued for the case in the future.

Very truly yours,

T.W. Lynch

Thomas W. Lynch
General Attorney

TWL:dml

Case file

OLMSTED & COHEN
ATTORNEYS AT LAW

CHARLES D. OLMSTED
SAUL COHEN
JEFF BINGAMAN

PADRE GALLEGOS HOUSE
231 WASHINGTON AVENUE
P. O. BOX 877
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 982-3595
JACK M. CAMPBELL, OF COUNSEL

May 11, 1972

Mr. A. L. Porter,
Secretary - Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RECEIVED
MAY 12 1972
OIL CONSERVATION COMM.
Santa Fe

Dear Mr. Porter:

I have received your Notice of Continuance of Case No. 4682 from May 2, 1972, to July 19, 1972.

Your notice indicates that arguments on motions will be heard at 9 a.m. on June 27, 1972, in Santa Fe. I regret to tell you that on that date I will be in Washington, D. C., and will be unable to present oral argument on a motion which I intend to file prior to June 1. I realize how difficult it is to assemble the full Commission, but I must under the circumstances request that the date for arguments be set at some other day. I could be present for oral argument on Thursday, June 29, or I could be available on any date during the week of June 19.

I would very much appreciate your consideration of this request.

Very truly yours,

Jack M. Campbell
Jack M. Campbell

JMC:et
cc: Richard S. Morris

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO
87501

This meeting has been called for the purpose of announcing that Case 4682, an application by El Paso Natural Gas Company which has been docketed to be heard today will be continued to the regular July hearing date of July 19, 1972, to be held in Morgan Hall, State Land Office Building, Santa Fe, New Mexico at 9 a.m.

All interested parties will be allowed until June 1, 1972 to file motions. Arguments on all motions, including those which have already been filed will be heard at 9 a.m. June 27, 1972 in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.

A notice will be sent to all operators and purchasers, as well as those parties who have petitioned to intervene in the proceedings advising them as to the action here taken.

A. L. PORTER, Jr.
Secretary-Director

May 2, 1972

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO NATURAL GAS COMPANY)
FOR AMENDMENT OF THE RULES AND)
REGULATIONS GOVERNING THE)
BLANCO-MESAVERDE GAS POOL,)
SAN JUAN AND RIO ARRIBA COUNTIES,)
NEW MEXICO.)

Case No. 4682

PETITION FOR LEAVE TO INTERVENE

COMES NOW the New Mexico Environmental Improvement Agency, through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to petition the New Mexico Oil Conservation Commission for leave to intervene as a party in the hearings on the proposed amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool commencing on Tuesday, May 2, 1972, at 9:00 A.M. in the State Land Office Building, Morgan Hall, Santa Fe, New Mexico.

The New Mexico Environmental Improvement Agency is a state governmental unit established under the authority of the Environmental Improvement Act [Sections 12-19-1 through 13, N.M.S.A., 1953 Comp. (1971 Supp.)] and as such is the state agency which is directly concerned with the ecological effects of the proposed general rule in the Blanco-Mesaverde Gas Pool on the human environment. It is this agency's concern that all evidence relating to the amendment of Rules and Regulations governing the Blanco-Mesaverde Gas Pool that may affect the human environment be presented and analyzed in a thorough manner and that alternatives be considered.

WHEREFORE, the Environmental Improvement Agency respectfully prays that we be entered as a party in these proceedings.

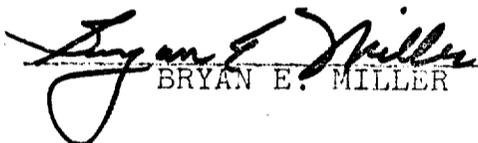
For Environmental Improvement Agency

Douglas W. Fraser
Douglas W. Fraser
Agency Assistant Attorney General
P.E.R.A. Building, P.O. Box 2348
Santa Fe, New Mexico 87501

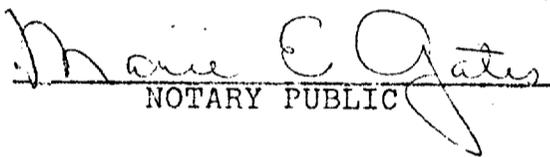
IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
FOR AMENDMENT OF THE RULES AND
REGULATIONS GOVERNING THE BLANCO-
MESAVERDE GAS POOL, SAN JUAN AND
RIO ARRIBA COUNTIES, NEW MEXICO.

VERIFICATION

Bryan E. Miller, acting director of the New Mexico
Environmental Improvement Agency, being first duly sworn under
oath, states that he has read the above petition and knows the
contents thereof; and that the same is true of his own knowledge,
information, or belief.


BRYAN E. MILLER

Subscribed and sworn to before me this 28th day of April,
1972.


NOTARY PUBLIC

My Commission Expires:

Dec 13 1975

LAW OFFICES

HINKLE, BONDURANT, COX & EATON

TELEPHONE (505) 622-6510

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
J. M. LITTLE

600 HINKLE BUILDING
POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

April 27, 1972



Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

You will find enclosed original and two Xerox copies of Motion of Aztec Oil & Gas Company for continuance of Case No. 4682, being the application of El Paso Natural Gas Company to amend the Blanco Mesaverde Gas Pool Rules to provide for the optional drilling of a second well on an established proration unit.

We are sending a copy of the Motion to Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company.

In our telephone conversation this morning, I advised you of the Motion and the grounds which Aztec Oil & Gas Company is urging for continuance of the case. You indicated that the Motion was being filed too late for the Commission to take action before the hearing but that it would be given consideration and acted upon at the hearing on May 2.

Yours sincerely,

HINKLE, BONDURANT, COX & EATON

By

Clarence E. Hinkle

CEH:jg
Enclosures

cc: Mr. Kenneth A. Swanson
Montgomery, Federici, Andrews, Hannahs & Morris

These are the questions I was using as a guide. The wording of some was changed. Some would not apply to you. Please feel free to submit additional information if you wish.

1. Do you own any property in the Blanco-Mesaverde Pool?
2. Does the Municipal League - EIA - Public Service Commission own any property in the pool?
3. Does anyone you represent own any property in the pool?
4. Are you seeking more gas production from the pool?
5. Are you seeking less gas -- some gas
6. Is it your contention that you or anyone that you profess to represent has such an interest that you could come before this Commission in a separate case to adopt certain spacing rules in the pool
7. Is it your contention that though you, EIA, Public Service Commission, Municipal League - certain cities - do not have a property right in the pool that the public has such a vital interest in the proper spacing of wells in the pool that it should be represented in this case
8. Is it your contention that because you represent a state agency (state subdivision) you have a right to intervene
9. What will you (or the ones you represent) gain or lose by the direct operation of the Commission's decision
10. Is that a certainty or is it mere speculative or contingent
11. Will you (or the ones you represent) be bound in any way by the decision of this Commission
12. Do you foresee that the Commission's decision will in any way encroach upon the authority of the agency you represent
13. Do you foresee that any rule or regulation of your agency will be subject of interpretation in this hearing
14. Is it your contention that if the Commission should find that waste is occurring in the pool and that correlative rights are being violated in the pool, that it could deny this application because approval may result in less gas being available to you sometime in the future?

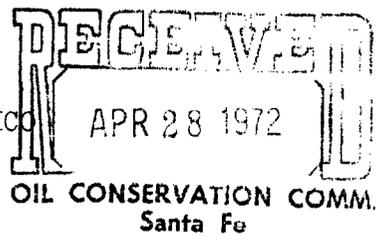
City of Deming -- Industry of New Mexico --
Municipal League -- Albuquerque, New Mexico --
Los Angeles, California -- Tucson, Arizona --

15. Is it your contention that if the Commission should find that waste is not occurring in the pool and that correlative rights are not being violated in the pool, that it could approve this application because approval may result in more gas being available to you sometime in the future?

City of Deming -- Industry of New Mexico --
Municipal League -- Albuquerque, New Mexico --
Los Angeles, California -- Tucson, Arizona --

16. Is it your contention that the Commission has the authority to directly control the amount of gas to be used in the state -- out of state? -- Regardless of waste and correlative rights?
17. Is it your contention that the Commission has the authority to indirectly control the amount of gas to be used in the state -- out of the state? -- Regardless of waste and correlative rights?
18. Does the EIA have the authority to prohibit the use of certain inferior fuels if the use of such has an adverse effect upon the environment
19. Does the EIA have the authority to require the use of certain fuels if the use of other fuels would adversely effect the environment
20. Does the Public Service Commission have any control over the amount of gas committed to instate use -- out of state use
21. Have you filed any case before the Public Service Committee seeking improved gas service to the cities your organization represents

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

CASE NO. 4682

MOTION FOR CONTINUANCE

Petitioner, Aztec Oil & Gas Company hereby enters its appearance in this cause and respectfully moves for a continuance of this case to a date to be established as more particularly hereinafter set forth. In support of this motion, Petitioner respectfully presents the following:

1. Petitioner is the owner of interests in more than 500 wells and is the operator of 130 wells which are completed in the Blanco Mesaverde Gas Pool of San Juan, Rio Arriba and Sandoval Counties, New Mexico, and the proration units assigned to each of these wells may be affected by the Commission's actions in this case.
2. Most of the gas which Petitioner produces from the Blanco Mesaverde Gas Pool is transported for sale in interstate markets and is subject to Federal Power Commission pricing regulations.
3. El Paso Natural Gas Company has alleged that its proposal will prevent waste and protect the correlative rights of operators producing gas from the Blanco Mesaverde reservoir.
4. At the present time it is impossible for Petitioner and other "large producer's" (the term "large producer" as used herein is defined as a producer, other than a pipeline company, which sells more than 10 billion cubic feet of gas annually in interstate commerce) to evaluate the effect of El Paso Natural Gas Company's proposal upon their respective rights for the following reasons, among others:
 - (a) The present Federal Power Commission guideline rate for gas produced from this reservoir is 13¢ per mcf and all amounts received by producers in excess of such guideline rate are collected subject

to refund.

(b) There is now pending before the Federal Power Commission a rule making proceeding designated as Docket No. R-425 which has as its expressed purpose the determination of appropriate just and reasonable area rate levels for gas to be sold in the Rocky Mountain Area (of which the San Juan Basin is a subarea) under contracts executed prior to October 1, 1968, which proceeding would presumably cover substantially all sales from existing Blanco Mesaverde Units. The State of New Mexico filed a response in this Docket, which response included testimony by a representative of this Commission and a recommendation for a rate of 40¢ per mcf for San Juan Basin gas.

(c) El Paso Natural Gas Company has heretofore submitted to all producers from whom it purchases gas in the San Juan Basin contract amendments which provide for a rate of 28¢ per mcf for gas to be produced from wells completed in the San Juan Basin on or after June 1, 1970, which would include all infill wells contemplated in this proceeding. In addition to such 28¢ per mcf rate, the subject contract amendments also include a provision for BTU adjustments either upward or downward from a base of 1,000 BTU's per cubic foot of gas. El Paso Natural Gas Company has recommended to the Federal Power Commission, by its response in FPC Docket No. R-425, that this rate be established by the Commission as the appropriate area rate level for gas sold from wells completed in the San Juan Basin on or after June 1, 1970.

(d) Several large producers have heretofore filed with the Federal Power Commission notices of change in price for the purpose of implementing the rate change as provided in their contract amendments with El Paso Natural Gas Company. The Federal Power Commission has accepted such rate increase applications but has suspended same for a period of 5 months, the earliest of which suspension periods will terminate on September 17, 1972.

5. Under existing Federal Power Commission regulations, large producers operating in the San Juan Basin are subject to such uncertainties as to price that they are unable to determine whether this proceeding will adversely affect their correlative rights. Because of these uncertainties, it is impossible to predict with any reasonable degree of accuracy whether

or not the majority of possible infill wells would result in an economic success or failure. Inasmuch as the issue of correlative rights cannot possibly be determined prior to the time when the Federal Power Commission takes affirmative action in Docket No. R-425 or permits the collection or renegotiated rates in the producers filings hereinabove referred to, this hearing should be continued until a date which is at least 15 days after the issuance by the Federal Power Commission of its pricing order in its Docket No. R-425 or after the date on which such renegotiated rate increases are permitted by FPC regulations to take effect, whichever date is the earlier. It is essential that this hearing be conducted after a reasonable length of time following such Federal Power Commission action for the purpose of permitting the affected parties to calculate and present to this Commission the effect which any order entered in this proceeding might have on their individual operations.

6. This motion is made for the sole and express purpose of allowing the necessary time for action by a Federal agency, which action will profoundly affect Petitioner and other large producers subject to this proceeding even to the extent of influencing the substantive decision of whether such affected party should, (1) support Applicant in this proceeding, (2) oppose Applicant, or (3) take no action whatsoever. In the absence of such information, which may reasonably be expected to be available no later than September 17, 1972, it is impossible for such determinations to be realistically made.

Wherefore Petitioner respectfully moves that the captioned cause be continued until a date which is at least fifteen (15) days after the date when the Federal Power Commission enters its pricing order in its Docket No. R-425 or September 17, 1972, whichever shall first occur. Petitioner further requests that this Commission rule upon this motion at the earliest possible date in order that all interested parties to this proceeding might be advised of the Commission's action without delay. A copy of this Petition is being delivered on this ____ day of April, 1972, to Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company.

DATED: April 26, 1972



Kenneth A. Swanson



Clarence E. Hinkle
Attorneys for Aztec Oil & Gas Company

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

CASE NO. 4682

TO ALL PERSONS INTERESTED IN THE
BLANCO-MESAVERDE POOL.

NOTICE OF CONTINUANCE

The above-described Case 4682 came on for hearing at 9 a.m. on May 2, 1972, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

That the Commission, a quorum being present, and being fully advised in the premises, continued Case 4682. The Case to be heard at 9 a.m., July 19, 1972, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.

The Commission further declared that motions may be filed in the Case until June 1, 1972, and that arguments on all motions, including those which have already been filed, will be heard at 9 a.m. on June 27, 1972, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.


A. L. PORTER, Jr.
Secretary-Director

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL PASO)
NATURAL GAS COMPANY FOR AN ORDER OF THIS)
COMMISSION ADOPTING A GENERAL RULE IN THE)
BLANCO MESA VERDE GAS POOL THAT WILL PROVIDE)
FOR THE OPTIONAL DRILLING OF A SECOND WELL ON)
AN ESTABLISHED PRORATION UNIT, AND FOR THE)
ASSIGNMENT OF ALLOWABLE FOR SUCH UNIT.)

CASE NO. 4682

PETITION FOR LEAVE TO INTERVENE

Comes now the New Mexico Municipal League, Inc., an incorporated association serving its member New Mexico municipalities representing itself as a user of natural gas and on behalf of its member municipalities who are users of natural gas and on behalf of residents of said members and files its petition for leave to intervene in this cause. The purpose of this intervention is to analyze the effect on petitioner, its member municipalities and persons living within the boundaries of its member municipalities, of El Paso Natural Gas application in case #4682. The end result of the intervention is to assure reasonable and proper gas service in member municipalities.

1. Petitioner New Mexico Municipal League, hereinafter referred to as the League, is an association of cities, towns and villages organized for the purpose of, among other things, representing participating municipalities in matters which directly affect municipal government in New Mexico and this petition is filed upon authority of the Board of Directors of said League duly made and entered at a meeting of said Board of Directors held on the 20th day of May, 1970.

2. El Paso Natural Gas Company supplies gas to the following cities who are members of the League:

City of Deming
City of Las Cruces

The address of the New Mexico Municipal League for all purposes is
Post Office Box 846, Santa Fe, New Mexico 87501.

3. This petition for leave to intervene is filed by the League on behalf of the several thousand residents of the municipalities served by the gas company which are members of the League and who are also consumers and rate payers of the gas company.

4. Intervenor does not have sufficient information at this time to assess its position in the matter and whether it should support Applicant, El Paso Natural Gas Company, as a wholesale supplier of gas to many public utilities under the jurisdiction of Intervenor or whether to support the position of Petitioner, Southern Union Gas Company, a public utility under the jurisdiction of Intervenor, or take a third position.

WHEREFORE, Intervenor respectfully prays that it be permitted to intervene in the above proceeding; that it be accorded all rights appropriate to its status as such Intervenor and be allowed to take a position or not as the facts develop.

DONE at Santa Fe, New Mexico, this 26th day of April, 1972.

Respectfully submitted,

NEW MEXICO MUNICIPAL LEAGUE

Frank Coppler
Frank Coppler
Esq.
P.O. Box 846
Santa Fe, New Mexico

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Frank Coppler, whose address for all purposes is P.O. Box 846, Santa Fe, New Mexico, Attorney for the New Mexico Municipal League, Petitioner herein, states that the foregoing Petition for and on behalf of the New Mexico Municipal League, was prepared by him on instruction and authority of the Board of Directors of the New Mexico Municipal League; that he has read the same and believes that statements contained therein are true.



Frank Coppler

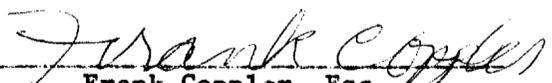
Subscribed and sworn to before me this _____ day of _____, 1972.

Notary Public

My Commission expires:

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Frank Coppler, Attorney for the New Mexico Municipal League, do hereby certify that on April 26, 1972, I did mail a true and correct copy of the foregoing petition to Mr. Richard Morris of Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company, Applicant, and to Mr. Jack M. Campbell of Olmsted, Cohen & Bingaman, attorneys for Southern Union Gas Company, Petitioner and Mr. James L. Parmelee, Jr., Staff Counsel, New Mexico Public Service Commission.



Frank Coppler, Esq.
P.O. Box 846
Santa Fe, New Mexico 87501

PUBCO

POST OFFICE BOX 869 • ALBUQUERQUE, NEW MEXICO 87103 • TELEPHONE (505) 842-1940

March 20, 1972

RECEIVED
MAR 21 1972
CONSERVATION COMM.
OFF



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Case No. 4682

Gentlemen:

In the matter of the application of El Paso Natural Gas Company for an order of the Commission adopting a general rule in the Blanco Mesaverde gas pool that will provide for the optional drilling of a second well on an established proration unit, and for the assignment of allowable for such unit, Case No. 4682, to be heard on March 22, 1972, Pubco Petroleum Corporation supports the motion for continuance filed by Southern Union Gas Company on March 9, 1972.

Very truly yours,



J. G. Johnson
Vice President Production

JCJ:

Mobil Oil Corporation

P.O. BOX 633
MIDLAND, TEXAS 79701

AIR MAIL

March 15, 1972

RECEIVED

MAR 17 1972
CONSERVATION COMM.

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.

IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
FOR AN ORDER OF THIS COMMISSION
ADOPTING A GENERAL RULE IN THE
BLANCO MESAVERDE GAS POOL THAT
WILL PROVIDE FOR THE OPTIONAL
DRILLING OF A SECOND WELL ON AN
ESTABLISHED PRORATION UNIT, AND
FOR THE ASSIGNMENT OF ALLOWABLE
FOR SUCH UNIT. CASE NO. 4682

Gentlemen:

Mobil Oil Corporation, an operator in the Blanco Mesaverde Gas Pool, hereby notifies the Commission of our support of the Southern Union Gas Company motion for continuance of the subject hearing to a date not less than 30 days from March 22, 1972.

Mobil attended the pool operators meeting, called by El Paso Natural Gas, on March 14, 1972 and we feel that more time is necessary to evaluate the many questions arising from the discussions during the meeting. The remaining time, 5 working days, is totally inadequate for an operator to gather and prepare the economic and technical information necessary to properly appraise one's position.

Mobil therefore respectfully recommends that the Commission grant Southern Union Gas Company's motion for continuance as stated in their petition of March 9, 1972.

Very truly yours,



Ira B. Stitt
Division Operations Engineer

WBSimmonsJr/ldm
cc: El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999
ATTN: A. M. Derrick

Southern Union Gas Company
Fidelity Union Tower
Dallas, Texas 75201
ATTN: Oran L. Haseltine

May 2, 1972 - 9 a.m.

Name

Company

Address

R. F. BAILEY

BAILEY, SIPES, WILLIAMSON & RUNYAN

1100 V & I TOWER,
MIDLAND, TX. 79701

J. D. SMOTHERMAN

CONSOLIDATED OIL & GAS

SUITE 1300, 1860

C. E. MILLIGAN

COLORADO OIL & GAS CORP.

LINCOLN, DENVER

Denver
Tower Bldg. 80203

P.O. Box ~~744~~⁷⁴⁹

1000 DENVER CLUB
Bldg

DENVER, Colo
80201

Richard J. Morris

Montgomery et al

Bank Fe



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

MARCH 15, 1972

M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE BLANCO-MESAVERDE GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural Gas Company for amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico.

The New Mexico Oil Conservation Commission has determined that the above-described case, set for hearing before the Oil Conservation Commission at 9 o'clock a.m. on March 22, 1972, will be continued to 9 o'clock a.m. on May 2, 1972, Morgan Hall, State Land Office Building, Santa Fe, New Mexico. This action is being taken in order to give all interested persons an opportunity to familiarize themselves with the case.

ALP/ir

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO

March 15, 1972

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR AN
ORDER OF THIS COMMISSION ADOPTING A
GENERAL RULE IN THE BLANCO-MESAVERDE
GAS POOL THAT WILL PROVIDE FOR THE
OPTIONAL DRILLING OF A SECOND WELL CASE NO. 4682
ON AN ESTABLISHED PRORATION UNIT, AND
FOR THE ASSIGNMENT OF ALLOWABLE FOR
SUCH UNIT.

The New Mexico Oil Conservation Commission will
convene at 9:00 a.m., March 22, 1972, in Morgan Hall,
State Land Office Building, Santa Fe, New Mexico, at
which time Case 4682 will be continued to May 2, 1972,
same place and time.

A. L. PORTER, Jr.

RECEIVED
MAR 14 1972
OIL CONSERVATION COMMISSION

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

CASE NO. 4682

PETITION FOR LEAVE TO INTERVENE
AND MOTION FOR CONTINUANCE

Comes now, the New Mexico Public Service Commission (Intervenor) and respectfully requests that the Oil Conservation Commission allow intervention in the above-styled and numbered matter and respectfully moves for a continuance of the matter to a date mutually acceptable to Applicant; Southern Union Gas Company, but not less than 30 days from March 22, 1972.

As grounds for this Motion, Intervenor states:

1. Intervenor is the regulatory body of the State of New Mexico having general and exclusive jurisdiction by virtue of statute over the rates, charges, service regulations and other matters relating to the sale of natural gas and electricity by public utilities in the State of New Mexico, and the sale of natural gas and electricity by any person, firm or corporation to any utility for resale in the State of New Mexico.

2. Numerous natural gas and electric utilities in the State of New Mexico depend upon El Paso Natural Gas Company (El Paso)

for their source of supply of natural gas for distribution and for a source of fuel to generate electricity.

3. Intervenor has a direct interest in the matter before the Commission to the end that reasonable and proper natural gas and electric service shall be assured to consumers in the State of New Mexico.

4. Intervenor does not have sufficient information at this time to assess its position in the matter and whether it should support Applicant, El Paso Natural Gas Company, as a wholesale supplier of gas to many public utilities under the jurisdiction of Intervenor or whether to support the position of Petitioner, Southern Union Gas Company, a public utility under the jurisdiction of Intervenor, or take a third position.

5. Attorney for Intervenor became aware of this Application on March 9, 1972. This does not provide sufficient time for preparation prior to the hearing date.

WHEREFORE, Intervenor respectfully prays that it be permitted to intervene in the above proceeding; that it be accorded all rights appropriate to its status as such Intervenor and be allowed to take a position or not as the facts develop. Intervenor further prays that the above requested continuance be allowed.

DONE at Santa Fe, New Mexico, this 14th day of March, 1972.

Respectfully submitted,

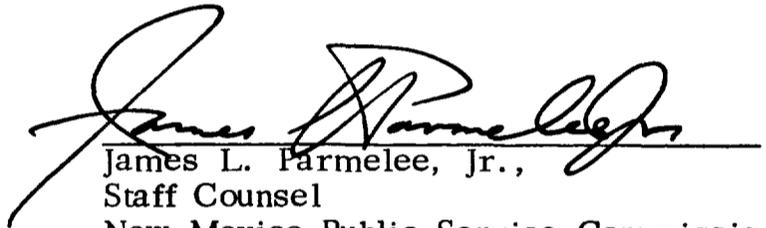
NEW MEXICO PUBLIC SERVICE COMMISSION



JAMES L. PARMELEE, JR., Staff Counsel
Bataan Memorial Building
Santa Fe, New Mexico 87501

CERTIFICATE OF SERVICE

I hereby certify that I have this day mailed a copy of the foregoing Petition for Leave to Intervene and Motion for Continuance to Mr. Richard Morris of Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company, Applicant, and to Mr. Jack M. Campbell of Olmsted, Cohen & Bingaman, attorneys for Southern Union Gas Company, Petitioner.



James L. Parmelee, Jr.,
Staff Counsel
New Mexico Public Service Commission
Bataan Memorial Building
Santa Fe, New Mexico . 87501

RECEIVED

MAR 13 1972

CONSERVATION COMM.

BEFORE THE OIL CONSERVATION

COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE) Case No. 4682
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

RESPONSE TO MOTION FOR CONTINUANCE

El Paso Natural Gas Company makes the following response to the Motion for Continuance filed herein on March 9, 1972 by Southern Union Gas Company:

1. By its application in Case No. 4682, El Paso Natural Gas Company is requesting the Commission to adopt rules applicable to the Blanco Mesaverde Gas Pool of San Juan, Rio Arriba, and Sandoval Counties, New Mexico, to permit the drilling of an additional well on established gas proration units and to permit the deliverabilities of all wells on those proration units to be combined for allowable purposes.

2. There are over 2000 wells and proration units in the Blanco Mesaverde Gas Pool in New Mexico, and assuming one-half (or 1000) of these proration units attract a second well, the additional production over the next 20 years is estimated to be approximately 800 billion cubic feet of gas. The producing rate at the end of 20 years is expected to be greater even after the withdrawal of the additional 800 billion cubic feet with the 1000 infill wells than it would have been absent those additional wells. The additional revenue which would be generated by the additional wells is estimated to be in excess of \$200 million for the gas alone. The cost of drilling these wells would be approximately \$83 million. The additional royalty and taxes

accruing to the State of New Mexico during the next 20 years from this program is estimated to exceed \$25 million.

3. El Paso urgently requests that the hearing proceed as scheduled in order that El Paso and others may commence the infill drilling program at the earliest possible date. Early commencement of this program will provide gas to help meet the market requirement for the 1972-1973 heating season in New Mexico and in other parts of the country served by gas produced from the Blanco Mesaverde Gas Pool.

4. El Paso intends to present evidence at the hearing on its application to prove that approval of its application will prevent waste and protect correlative rights of the operators in the pool. In addition, El Paso's evidence will show that approval of its application will enable it to supply gas to meet the needs of consumers who are dependent upon El Paso for their supply of natural gas, including Southern Union Gas Company and other utilities who distribute natural gas to New Mexico consumers. El Paso intends to demonstrate that approval of its application in this case will alleviate gas shortages and will reduce the possibility of its being forced to curtail deliveries of gas to Southern Union Gas Company and other distributors in the State of New Mexico who obtain a portion of their gas supply from El Paso Natural Gas Company. El Paso provided 46 billion cubic feet for New Mexico consumers during 1971.

5. As an owner, producer and operator in the Blanco Mesaverde Gas Pool, long before El Paso arrived, Southern Union Gas Company has facts and studies readily available to it which should enable it to prepare for the hearing of this case on March 22, 1972. El Paso Natural Gas Company intends to hold a meeting of all operators in the Blanco Mesaverde Gas Pool on March 14, 1972,

to which meeting Southern Union Gas Company has been invited. At this operators' meeting, El Paso intends to outline, summarize, and discuss its application, as the result of which Southern Union Gas Company should be fully informed as to the matters that will be presented at the hearing before the Commission on March 22, 1972.

6. Southern Union Gas Company will not be prejudiced by denial of its Motion for Continuance, but El Paso Natural Gas Company and other operators in the Blanco Mesaverde Gas Pool, together with consumers of natural gas who are dependent upon the gas supply from the Blanco Mesaverde Gas Pool, will be substantially prejudiced by delay in hearing and approval of the application.

WHEREFORE, El Paso Natural Gas Company requests that Southern Union Gas Company's Motion for Continuance be denied. In the event the Commission should determine to grant the Motion for Continuance, El Paso Natural Gas Company respectfully requests that a new date for hearing be set at the earliest practicable time.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & MORRIS

By Richard S. Morris
P.O. Box 2307
Santa Fe, N.M. 87501
Attorneys for El Paso Natural Gas
Company.

CERTIFICATE OF DELIVERY

I certify that I delivered a true and correct copy of the foregoing Response to Motion for Continuance to the office of JACK M. CAMPBELL, 237 East Palace Avenue, Santa Fe, N.M. 87501, Attorney for Southern Union Gas Company, this 13th day of March, 1972.

Richard S. Morris

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

CASE NO. 4682

MOTION FOR CONTINUANCE

Petitioner, Southern Union Gas Company, by its attorneys Jack M. Campbell and Olmsted, Cohen & Bingaman enters its appearance in this matter and respectfully moves for a continuance of this matter to a date mutually acceptable to Applicant, Petitioner and the Commission but not less than thirty (30) days from March 22, 1972.

As its grounds for this Motion, Petitioner states:

1. It is an owner, producer and operator of properties within the horizontal and vertical limits of the Blanco MesaVerde Gas Pool of San Juan, Rio Arriba and Sandoval Counties, New Mexico.
2. It supplies natural gas to New Mexico consumers and has serious concerns relative to the long-term natural gas supplies available to such consumers from this pool with regard to this Application.
3. Its correlative rights to its prorata share of gas from this pool can be adversely affected in this matter.
4. While Applicant has been suggesting for several months that it might file an application concerning spacing in this pool, there has been no information available to Petitioner or its attorneys as to the definite position of Applicant concerning the filing, or as to the exact nature of its proposal, until the filing of the Application in this matter. To Petitioner's knowledge there has, to date, been no meeting of pool operators to consider this matter. There has been no action taken to provide a basis for or to justify the expense for Petitioner's advance preparation.

5. One of the Attorneys for Petitioner became aware of this application on Saturday, March 4. Petitioner received notice only through the official Commission notice of hearing process on March 6, 1972. This provides only eleven (11) working days for preparation prior to the hearing date.

6. Applicant has called a meeting of pool operators in El Paso, Texas, on March 14 at 2 P.M. Only five (5) working days remain between this meeting and the hearing date. This time lapse is totally inadequate for evaluation of Applicant's position by pool operators and for appropriate action.

7. This matter is of great significance to Petitioner, other operators in the pool, royalty owners, those responsible for management of public lands in the pool, and state agencies responsible for maintaining natural gas supplies to New Mexico consumers at reasonable costs.

8. Technical and economic factors require substantial preparation for cross-examination and presentation of Petitioner's evidence requires substantial time.

9. Its attorneys cannot adequately represent Petitioner in this matter unless additional time is allowed for preparation.

WHEREFORE, Petitioner respectfully requests a continuance in this matter, as stated above, and asks the Commission to rule upon this matter as soon as possible after Applicant has had an opportunity to respond hereto. A copy of this Petition is being delivered to attorneys for Applicant, Montgomery, Federici, Andrews, Hannahs & Morris on the afternoon of March 9, 1972.



JACK M. CAMPBELL
One of the attorneys for Southern Union Gas Co.

DATED: March 9, 1972.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

February 24, 1972

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Class 4682

The Honorable Bruce King
Governor of New Mexico
Executive-Legislative Building
Santa Fe, New Mexico

Dear Governor King:

El Paso Natural Gas Company has requested a hearing before all three members of the Commission on March 21, 1972. (It will probably require more than one day). The application will request permission to drill additional gas wells in the Mesaverde Pool in the San Juan Basin in order to increase the current availability of gas.

Since you have manifested great interest in our natural gas situation, I feel that your presence at this hearing is essential. If you cannot attend the hearing on March 21 and 22, please let me know by Tuesday, February 29 what other dates later in March on which you would be available.

Sincerely,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

cc: Land Commissioner Alex J. Armijo



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

JUNE 30, 1972

M E M O R A N D U M

TO: ALL PERSONS INTERESTED IN THE BLANCO-MESAVERDE GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: CASE 4682 - Application of El Paso Natural Gas Company for amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico.

This is official notice that the above-described case has been continued from JULY 19, 1972 to AUGUST 29, 1972. The hearing will begin at 9 a.m. in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.


A. L. PORTER, Jr.
Secretary-Director

ALP/ir

CASE 4682

✓ PETITION TO INTERVENE FROM THE NEW MEXICO ENVIRONMENTAL IMPROVEMENT AGENCY - (Mr. Douglas W. Fraser)

APPLICATION OF EL PASO NATURAL GAS COMPANY (A. M. Derrick)

MOTION FOR CONTINUANCE BY SOUTHERN UNION GAS COMPANY (Jack Campbell)

RESPONSE TO MOTION FOR CONTINUANCE FROM EL PASO NATURAL GAS CO. (Richard S. Morris)

✓ PETITION FOR LEAVE TO INTERVENE AND MOTION FOR CONTINUANCE FROM THE NEW MEXICO PUBLIC SERVICE COMMISSION - (James L. Parmelee, Jr.)

LETTER FROM MOBIL OIL CORPORATION SUPPORTING SOUTHERN UNION'S CONTINUANCE APPLICATION (Ira B. Stitt)

LETTER FROM PUBCO SUPPORTING SOUTHERN UNION'S CONTINUANCE APPLICATION (J. C. Johnson)

MOTION FOR CONTINUANCE FROM AZTEC OIL & GAS COMPANY (Kenneth A. Swanson and Clarence E. Hinkle)

✓ PETITION FOR LEAVE TO INTERVENE FROM NEW MEXICO MUNICIPAL LEAGUE, INC. (Frank Coppler)

APPEARANCE - COLORADO OIL AND GAS CORPORATION, DENVER, COLORADO, (Mr. C. E. Milligan)

APPEARANCE - MR. R. F. BAILEY, BAILEY, SIPES, WILLIAMSON & RUNYAN, Attorneys at Law, Midland, Texas

APPEARANCE - CONSOLIDATED OIL & GAS INC., DENVER, COLORADO, (Mr. J. D. Smothermon)

✓ LETTER FROM AMERADA HESS CORPORATION, TULSA, OKLAHOMA, (Thomas W. Lynch, General Attorney)

LETTER FROM AMOCO PRODUCTION COMPANY, DENVER, COLORADO (Vinton D. Pierce)

MOTION TO LIMIT TESTIMONY - SOUTHERN UNION - JACK M. CAMPBELL

LETTER FROM MR. JASON KELLAHIN, KELLAHIN & FOX, POST OFFICE BOX 1769, SANTA FE, NEW MEXICO

CASE 4682

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AGENCY - (Mr. Douglas W. Fraser)

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CASE 4682

PETITION TO INTERVENE FROM THE NEW MEXICO ENVIRONMENTAL IMPROVEMENT
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Swanson and Clarence E. Hinkle)

PETITION FOR LEAVE TO INTERVENE FROM NEW MEXICO MUNICIPAL LEAGUE, Inc.
(Frank Coppler)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4682

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR AMENDMENT OF THE
RULES AND REGULATIONS GOVERNING
THE BLANCO-MESAVERDE GAS POOL,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

These matters come before the Commission at 9 a.m. on June 29, 1972, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission," pursuant to motions to intervene in the above-entitled cause and a motion for an order from the Commission limiting and defining the evidence it will receive and consider in the above-entitled cause and restricting such evidence to those matters provided for by the Statutes of New Mexico, and a motion for the continuance of the above-entitled cause until such time as the Commission has prepared an environmental impact statement.

NOW, on this 6th day of July, 1972, the Commission, a quorum being present, having considered each of the above-described motions, the arguments presented therewith, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Section 65-3-10, New Mexico Statutes Annotated, 1953 Compilation, empowers and gives the duty to the Commission to prevent the waste of hydrocarbons and to protect the correlative rights of owners of interests in said hydrocarbons.
- (3) That Section 65-3-5, New Mexico Statutes Annotated, 1953 Compilation, gives the Commission jurisdiction and authority over all matters relating to the conservation of oil and gas.
- (4) That "waste" and "correlative rights" are defined by Sections 65-3-3 and 65-3-29, respectively, New Mexico Statutes Annotated, 1953 Compilation.
- (5) That the public has a vital interest in the conservation of the natural resources of the State of New Mexico.

(6) That the Commission's decision to approve or disapprove the application of El Paso Natural Gas Company in Case 4682 must be predicated upon the prevention of the waste of hydrocarbons and the protection of the correlative rights of owners of property in the Blanco-Mesaverde Gas Pool.

(7) That the Commission will receive evidence that is relevant to the prevention of waste of hydrocarbons and the protection of correlative rights.

(8) Evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental impact will be received by the Commission and considered in its determination to approve or disapprove the application if the party offering same can show the relevance of such matters to the prevention of waste and the protection of correlative rights.

(9) The Commission also has the authority to gather for informational purposes evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental matters, though such are not to be considered in its determination of approval or disapproval of the subject application.

(10) That the Commission will receive evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental matters if offered by a party merely for informational purposes.

(11) That after it has made its decision to approve or disapprove the application upon the basis of evidence that is relevant to waste and protection of correlative rights, and if that decision should be to approve the application, it will consider evidence offered for informational purposes only to the fullest extent possible in the implementation of the decision.

(12) That the New Mexico Oil Conservation Commission is not required by Section 12-20-6, New Mexico Statutes Annotated, 1953 Compilation, to prepare an environmental impact statement prior to the hearing of this case.

IT IS THEREFORE ORDERED:

(1) In accordance with the above, the three petitioners, the New Mexico Environmental Improvement Agency, the New Mexico Municipal League, and the New Mexico Public Service Commission each are hereby granted permission to intervene in the above-styled cause, subject to the following:

- A. Evidence offered or which is elicited on cross-examination which is not relevant to the waste of hydrocarbons shall be admitted for informational purposes only.

B. Evidence which is offered or which is elicited on cross-examination which is relevant to the waste of hydrocarbons shall be admitted for all purposes.

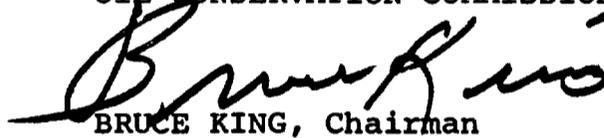
(2) To the extent that the above findings are in conflict with the motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company, said motion is denied; to the extent the above findings are not in conflict with said motion, the motion is granted.

(3) That the motion of the New Mexico Environmental Improvement Agency to continue the above-entitled cause until such time as the New Mexico Oil Conservation Commission has prepared an environmental impact statement is hereby denied.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



BRUCE KING, Chairman

ALEX J. ARMIJO, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

RECEIVED

MAR 14 1972

Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

CASE NO. 4682

PETITION FOR LEAVE TO INTERVENE
AND MOTION FOR CONTINUANCE

Comes now, the New Mexico Public Service Commission (Intervenor) and respectfully requests that the Oil Conservation Commission allow intervention in the above-styled and numbered matter and respectfully moves for a continuance of the matter to a date mutually acceptable to Applicant; Southern Union Gas Company, but not less than 30 days from March 22, 1972.

As grounds for this Motion, Intervenor states:

1. Intervenor is the regulatory body of the State of New Mexico having general and exclusive jurisdiction by virtue of statute over the rates, charges, service regulations and other matters relating to the sale of natural gas and electricity by public utilities in the State of New Mexico, and the sale of natural gas and electricity by any person, firm or corporation to any utility for resale in the State of New Mexico.

2. Numerous natural gas and electric utilities in the State of New Mexico depend upon El Paso Natural Gas Company (El Paso)

for their source of supply of natural gas for distribution and for a source of fuel to generate electricity.

3. Intervenor has a direct interest in the matter before the Commission to the end that reasonable and proper natural gas and electric service shall be assured to consumers in the State of New Mexico.

4. Intervenor does not have sufficient information at this time to assess its position in the matter and whether it should support Applicant, El Paso Natural Gas Company, as a wholesale supplier of gas to many public utilities under the jurisdiction of Intervenor or whether to support the position of Petitioner, Southern Union Gas Company, a public utility under the jurisdiction of Intervenor, or take a third position.

5. Attorney for Intervenor became aware of this Application on March 9, 1972. This does not provide sufficient time for preparation prior to the hearing date.

WHEREFORE, Intervenor respectfully prays that it be permitted to intervene in the above proceeding; that it be accorded all rights appropriate to its status as such Intervenor and be allowed to take a position or not as the facts develop. Intervenor further prays that the above requested continuance be allowed.

DONE at Santa Fe, New Mexico, this 14th day of March, 1972.

Respectfully submitted,

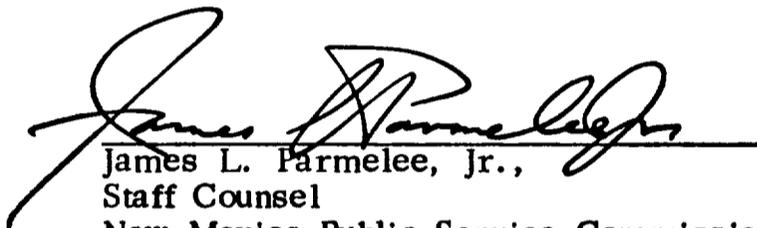
NEW MEXICO PUBLIC SERVICE COMMISSION



JAMES L. PARMELEE, JR., Staff Counsel
Bataan Memorial Building
Santa Fe, New Mexico 87501

CERTIFICATE OF SERVICE

I hereby certify that I have this day mailed a copy of the foregoing Petition for Leave to Intervene and Motion for Continuance to Mr. Richard Morris of Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company, Applicant, and to Mr. Jack M. Campbell of Olmsted, Cohen & Bingaman, attorneys for Southern Union Gas Company, Petitioner.



James L. Parmelee, Jr.,
Staff Counsel
New Mexico Public Service Commission
Bataan Memorial Building
Santa Fe, New Mexico . 87501

DOCKET: SPECIAL HEARING - WEDNESDAY - MARCH 22, 1972

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

CASE 4682: Application of El Paso Natural Gas Company for amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1670, as it pertains to the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico, to provide the following:

- A. That any operator may, at his option, drill a second well on any established proration unit in the Blanco-Mesaverde Gas Pool.
- B. That the wells on any established proration unit in the Blanco-Mesaverde Gas Pool having more than one well shall be treated as a single well for proration purposes and any reference to a well in the proration rules shall pertain to all wells on an established proration unit.
 - (1) That state deliverability test of each well shall be combined for the allowable deliverability allocation and the wells considered as a single unit for the acreage allocation.
 - (2) The production from each well shall be metered separately in compliance with Rule 403, however, the production shall be combined and reported as a single volume on Forms C-114 and C-115 and applied against the single allowable for the proration unit, and one status shall be carried for the proration unit.
 - (3) Classification of the wells on a proration unit as marginal or non-marginal shall be determined by combining the performance of all wells in the proration unit.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4682

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR AMENDMENT OF THE
RULES AND REGULATIONS GOVERNING
THE BLANCO-MESAVERDE GAS POOL,
SAN JUAN AND RIO ARRIBA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

These matters come before the Commission at 9 a.m. on June 29, 1972, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission," pursuant to motions to intervene in the above-entitled cause and a motion for an order from the Commission limiting and defining the evidence it will receive and consider in the above-entitled cause and restricting such evidence to those matters provided for by the Statutes of New Mexico, and a motion for the continuance of the above-entitled cause until such time as the Commission has prepared an environmental impact statement.

NOW, on this 6th day of July, 1972, the Commission, a quorum being present, having considered each of the above-described motions, the arguments presented therewith, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Section 65-3-10, New Mexico Statutes Annotated, 1953 Compilation, empowers and gives the duty to the Commission to prevent the waste of hydrocarbons and to protect the correlative rights of owners of interests in said hydrocarbons.
- (3) That Section 65-3-5, New Mexico Statutes Annotated, 1953 Compilation, gives the Commission jurisdiction and authority over all matters relating to the conservation of oil and gas.
- (4) That "waste" and "correlative rights" are defined by Sections 65-3-3 and 65-3-29, respectively, New Mexico Statutes Annotated, 1953 Compilation.
- (5) That the public has a vital interest in the conservation of the natural resources of the State of New Mexico.

(6) That the Commission's decision to approve or disapprove the application of El Paso Natural Gas Company in Case 4682 must be predicated upon the prevention of the waste of hydrocarbons and the protection of the correlative rights of owners of property in the Blanco-Mesaverde Gas Pool.

(7) That the Commission will receive evidence that is relevant to the prevention of waste of hydrocarbons and the protection of correlative rights.

(8) Evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental impact will be received by the Commission and considered in its determination to approve or disapprove the application if the party offering same can show the relevance of such matters to the prevention of waste and the protection of correlative rights.

(9) The Commission also has the authority to gather for informational purposes evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental matters, though such are not to be considered in its determination of approval or disapproval of the subject application.

(10) That the Commission will receive evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental matters if offered by a party merely for informational purposes.

(11) That after it has made its decision to approve or disapprove the application upon the basis of evidence that is relevant to waste and protection of correlative rights, and if that decision should be to approve the application, it will consider evidence offered for informational purposes only to the fullest extent possible in the implementation of the decision.

(12) That the New Mexico Oil Conservation Commission is not required by Section 12-20-6, New Mexico Statutes Annotated, 1953 Compilation, to prepare an environmental impact statement prior to the hearing of this case.

IT IS THEREFORE ORDERED:

(1) In accordance with the above, the three petitioners, the New Mexico Environmental Improvement Agency, the New Mexico Municipal League, and the New Mexico Public Service Commission each are hereby granted permission to intervene in the above-styled cause, subject to the following:

- A. Evidence offered or which is elicited on cross-examination which is not relevant to the waste of hydrocarbons shall be admitted for informational purposes only.

B. Evidence which is offered or which is elicited on cross-examination which is relevant to the waste of hydrocarbons shall be admitted for all purposes.

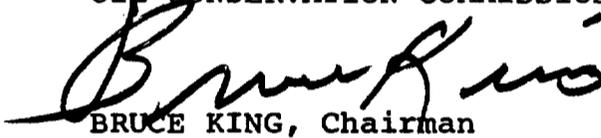
(2) To the extent that the above findings are in conflict with the motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company, said motion is denied; to the extent the above findings are not in conflict with said motion, the motion is granted.

(3) That the motion of the New Mexico Environmental Improvement Agency to continue the above-entitled cause until such time as the New Mexico Oil Conservation Commission has prepared an environmental impact statement is hereby denied.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman

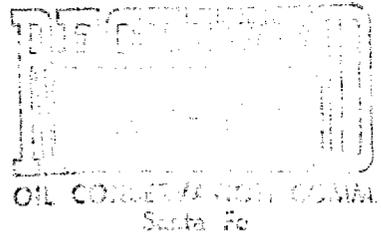
ALEX J. ARMIJO, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

dr/



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE)
FOR THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

CASE NO. 4682

ANSWER OF NEW MEXICO ENVIRONMENTAL IMPROVEMENT AGENCY
TO QUESTIONS PROPOUNDED BY COUNSEL FOR THE
OIL CONSERVATION COMMISSION

1. Q. Do you own any property in the Blanco-Mesa Verde Pool?
A. No. I am appearing on behalf of the Environmental Improvement Agency in the capacity of an agency assistant attorney general and am not appearing on behalf of myself.
2. Q. Does the Environmental Improvement Agency own any property in the pool?
A. No. The Agency is a state governmental administrative unit which owns no property rights in the Blanco-Mesa Verde Pool. Its interest in this particular application is the environmental effects which may result from any change in existing property rights in the pool.
3. Q. Does anyone you represent own any property in the pool?
A. No. I am representing the Agency which has no existing property right within the Blanco-Mesa Verde Pool.
4. Q. Are you seeking more gas production from the pool?
A. No.
5. Q. Are you seeking less gas production from the pool?
A. No. We are seeking the continuance of existing gas production from the pool.
6. Q. Is it your contention that you or anyone that you profess to represent has such an interest that you could come before this Commission in a separate case to adopt certain spacing rules in the pool?
A. Yes, to the extent that the case could constitute a major state action substantially affecting the environment.
7. Q. Is it your contention that, although the Environmental Improvement Agency does not have a property right in the pool, the public has such a vital interest in the proper spacing of wells in the pool that it should be represented in this case?
A. Yes, insofar as a determination of the existing property rights in the pool will have an environmental impact on the human environment.

8. Q. Is it your contention that because you represent a state agency, you have a right to intervene?
- A. The Environmental Improvement Agency has a right to submit a Petition for Intervention because the question before the Oil Conservation Commission is one that substantially affects the quality of the human environment. The Oil Conservation Commission should grant this petition in order to assure a full review of the environmental issues involved.
9. Q. What will you gain or lose by the direct operation of the Commission's decision?
- A. The Environmental Improvement Agency will gain or lose no particular property right by the direct operation of the Commission's decision. However, the Agency will lose the opportunity to effectively administer the regulations promulgated by the Environmental Improvement Board in a way most rationally suited to New Mexico's needs. It will also be injured to the extent more funds will be needed for staffing of programs to develop new and more extensive regulations for the Board's consideration. Assuming new regulations are adopted, more funds will be needed to insure their enforcement. Finally, we will lose the ability to effectively carry out the legislative mandate of assuming responsibility "for environmental management and consumer protection...in order to ensure an environment that in the greatest possible measure: will confer optimum health, safety, comfort and economic and social well-being on its inhabitants; will protect this generation as well as those yet unborn from health threats posed by the environment; and will maximize the economic and cultural benefits of a healthy people." [Section 12-19-2 N.M.S.A., 1953 Comp. (1971 Supp.)]
10. Q. Is that a certainty or is it mere speculative or contingent?
- A. Certainty.
11. Q. Will the Environmental Improvement Agency be bound in any way by the decision of this Commission?
- A. Yes, to the extent that the decision will affect environmental management and consumer protection.
12. Q. Do you foresee that the Commission's decision will in any way encroach upon the authority of the agency you represent?
- A. No.
13. Q. Do you foresee that any rule or regulation of the Environmental Improvement Agency will be subject of interpretation in this hearing?
- A. We are unable to anticipate at this time whether any of the Environmental Improvement Board's regulations will need to be interpreted.
14. Q. Is it your contention that if the Commission should find that waste is occurring in the pool and that correlative rights are being violated in the pool, that it could deny this application because approval may result in less gas being available to you sometime in the future?
- A. Yes, in terms of less gas being available to the citizens of New Mexico and what effects this shortage of gas will have on the quality of the human environment in New Mexico.

It is clear from Section 12-20-6 N.M.S.A., 1953 Comp. (1971 Supp.) that the factors that must be considered by the Oil Conservation Commission have been enlarged or supplemented

to include not only waste and correlative rights but also the impact that a determination on these two factors may have on the human environment. The requirement that the impact on human environment be considered is not only a procedural requirement, in the narrow sense, but is a consideration that indeed will affect substantive determinations.

As was stated in Arlington Coalition v. Volpe, _____ F.2d _____, 3 E.R.C. 1195, 2001 (4th Cir. 1972) in answer to the argument, work on the road construction need not be enjoined while the environmental impact was being prepared:

Filing a report without suspension of work on Arlington I-66 until the report has been considered by the Secretary is not the sort of compliance that is likely to change the result. Section 102(C) contemplates not only that a report be compiled but also that the Secretary take into account the information contained therein in determining the final location and design of a highway. (Emphasis added.)

This statute does not limit the authority of any governmental agency in any permanent or conclusive manner. It does, however, contain a mandate that action can be taken only following complete awareness on the part of the actor of the environmental consequences of his action and following his having taken the steps required by the Act. [Natural Helium Corporation v. Morton, _____ F.2d _____, 3 E.R.C. 1129 (10th Cir. 1971)].

Section 12-20-6, supra, consequently requires an examination of all relevant issues, not only of waste but of economics and the environment.

15. Q. Is it your contention that if the Commission should find that waste is not occurring in the pool and that correlative rights are not being violated in the pool, that it could approve this application because approval may result in more gas being available to you sometime in the future?
- A. Yes. See answer to Question 14 above.
16. Q. Is it your contention that the Commission has the authority to directly control the amount of gas to be used in the state -- out of state? -- Regardless of waste and correlative rights?
- A. No.
17. Q. Is it your contention that the Commission has the authority to indirectly control the amount of gas to be used in the state -- out of the state? -- Regardless of waste and correlative rights?
- A. Yes.
Note: The problem with this question is the use of the word "authority". The Oil Conservation Commission's statutory authority to deny or grant this application based upon waste, correlative rights and environmental factors will indirectly affect the amount of gas to be used.
18. Q. Does the Environmental Improvement Agency have the authority to prohibit the use of certain inferior fuels if the use of such has an adverse effect upon the environment?
- A. The Environmental Improvement Agency has no such direct authority.
19. Q. Does the Environmental Improvement Agency have the authority to require the use of certain fuels if the use of other fuels would adversely effect the environment?
- A. The Environmental Improvement Agency has no such direct authority.

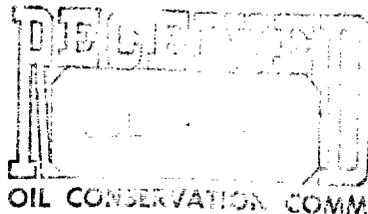
Note: These Answers are submitted in lieu of all oral statements made in response to the questions asked by Commission counsel on June 29, 1972.

Respectfully submitted,



Douglas W. Fraser
Agency Assistant Attorney General
P.E.R.A. Building
Santa Fe, New Mexico

cc: El Paso Natural Gas Company
Southern Union Gas Company
New Mexico Municipal League, Inc.
New Mexico Public Service Commission



BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE) CASE NO. 4682
FOR THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

ANSWER OF NEW MEXICO PUBLIC SERVICE COMMISSION
TO QUESTIONS PROPOUNDED BY COUNSEL FOR THE
OIL CONSERVATION COMMISSION

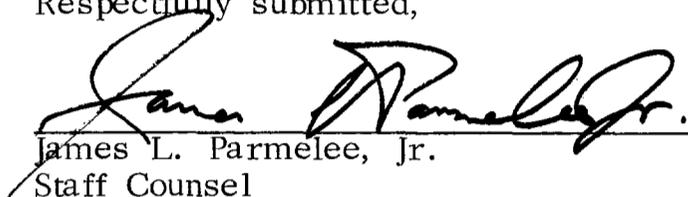
1. Q. Does the Public Service Commission own any property in the Blanco-Mesa Verde Pool?
A. No.
2. Q. Does anyone you represent own any property in the pool?
A. Some utilities under the supervision and regulation of the Public Service Commission own property in the pool.
3. Q. Are you seeking more gas production from the pool?
A. No.
4. Q. Are you seeking less gas -- some gas?
A. No.
5. Q. Is it your contention that you or anyone that you profess to represent has such an interest that you could come before this Commission in a separate case to adopt certain spacing rules in the pool?
A. No. (Except utilities owning property in the pool.)
6. Q. It it your contention that though you, Public Service Commission, do not have a property right in the pool but that the public has such a vital interest in the proper spacing of wells in the pool that it should be represented in this case?
A. Yes, the Public Service Commission is bound by statute to represent the interests of public utilities, consumers of

utility products and the general public and the duty to ensure, to the extent of its ability, that utilities continue to serve the public.

7. Q. Is it your contention that because you represent a state agency (state subdivision) you have a right to intervene?
- A. Not a "right" to intervene but hopefully a "privilege" to intervene because of the Public Service Commission's interest.
8. Q. What will you (or the ones you represent) gain or lose by the direct operation of the Commission's decision?
- A. The answer to this question is unknown at this time but will hopefully be developed by the evidence presented.
9. Q. Is that a certainty or is it mere speculative or contingent?
- A. This will hopefully be answered by the evidence presented.
10. Q. Will you (or the ones you represent) be bound in any way by the decision of this Commission?
- A. Yes, the short and long range gas supply for New Mexico utilities will be affected and the Public Service Commission will be bound by the decision.
11. Q. Do you foresee that the Commission's decision will in anyway encroach upon the authority of the agency you represent?
- A. No.
12. Q. Do you foresee that any rule or regulation of your agency will be subject of interpretation in this hearing?
- A. No.
13. Q. Is it your contention that the Commission has the authority to directly control the amount of gas to be used in the state -- out of state? -- Regardless of waste and correlative rights?
- A. No.
14. Q. Is it your contention that the Commission has the authority to indirectly control the amount of gas to be used in the state -- out of the state? -- Regardless of waste and correlative rights?

- A. Yes, the granting or denying of the application will have precisely this effect.
15. Q. Does the Public Service Commission have any control over the amount of gas committed to instate use -- out of state use?
- A. No.

Respectfully submitted,



James L. Parmelee, Jr.

Staff Counsel

New Mexico Public Service Commission

Bataan Memorial Building

Santa Fe, New Mexico 87501

cc: El Paso Natural Gas Company
Southern Union Gas Company
New Mexico Municipal League, Inc.
Environmental Improvement Agency
New Mexico State Planning Office

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682.

MOTION

COMES NOW the New Mexico Environmental Improvement Agency through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to move that this hearing on the proposed adoption of an amended general rule in the Blanco-Mesa Verde Gas Pool be rescheduled until such time as the proposal may be accompanied with an environmental impact statement as required by Section 12-20-6 N.M.S.A., 1953 Comp. (1971 Supp.)

ENVIRONMENTAL IMPROVEMENT AGENCY

by 
Douglas W. Fraser
Agency Assistant Attorney
General
P. O. Box 2348
Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
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THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

RESPONSE

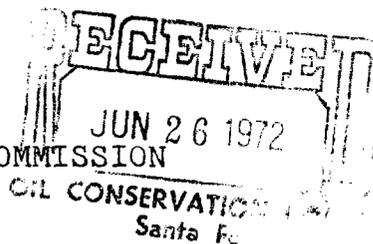
COMES NOW the New Mexico Environmental Improvement Agency, through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to respond to the Motion of Southern Union Production Company, Southern Union Gathering Company and Southern Union Gas Company for an Order limiting and defining the evidence which it will receive and consider in this case and hereby states that insofar as the Motion if granted might limit the evidence to be presented so that a determination by this Commission could not be made properly as to whether or not the Commission must issue an environmental impact statement, the Motion or its subsequent Order would be in violation of Section 12-20-6 N.M.S.A., 1953 Comp. (1971 Supp.) Said statute requires an environmental impact statement to be included in every recommendation or report on major state actions significantly affecting the quality of the human environment. The Commission must determine whether applicant's requested order adopting a general rule providing for the optional drilling of a second well on an established proration unit and for the assignment of allowable for such unit would be, if issued, an action requiring an impact statement under Section 12-20-6, supra.

WHEREFORE, insofar as the Motion limiting and defining the evidence would limit the Commission's ability to make a finding as to the necessity of an environmental impact statement, the Motion should be denied.

ENVIRONMENTAL IMPROVEMENT AGENCY

by Douglas W. Fraser
Douglas W. Fraser
Agency Assistant Attorney General
P. O. Box 2348
Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

RESPONSE

El Paso Natural Gas Company hereby responds to the Motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company for an Order limiting and defining the evidence which it will receive and consider in this case, and states:

1. The Applicant, El Paso Natural Gas Company, recognizes that any Order entered by the Commission approving the Application in this case must be based upon prevention of waste and protection of correlative rights, pursuant to the Oil and Gas Conservation Statutes of New Mexico.

2. In addition to the powers and duties conferred upon the Commission by the Oil and Gas Conservation Statutes, the Commission also is authorized and required to consider the manner in which its actions may affect the environment, and the Commission is required to make a detailed Environmental Impact Statement in connection with any major state action which significantly affects the quality of the human environment. The Commission must determine whether this case is of such a nature as to require preparation of such a Statement, and to that end the Commission should receive and consider evidence relating to the various factors specified in Section 12-20-6 N.M.S.A., which it must consider if it determines that an Environmental Impact Statement is required in this case.

3. The Commission should receive and consider evidence relative to the market demand for gas from the San Juan Basin and from the Blanco-Mesaverde Gas Pool in particular, and should consider all the effects of its actions in this case (including those environmental in nature) not only upon the producers, but also upon the purchasers, distributors and ultimate consumers of this gas. In this regard, the Commission should not blind itself to the national energy crisis and the serious problems currently facing the natural gas industry throughout the country; nor is the Commission required by law to disregard such important matters.

The Commission has the authority, as well as the duty, to determine that a market exists for the additional deliverability that will be developed by the drilling of additional wells if the Application is approved. Obviously, the economic feasibility of the infill drilling program is directly related to market conditions and is predicated upon the assumption of a firm demand for gas from the San Juan Basin.

The Commission also should consider the waste, both physical and economic, which will result if the productive life of the Blanco-Mesaverde Gas Pool is permitted to continue beyond the physical capability of existing wells and related facilities and beyond the time that natural gas can be expected to fulfill a significant portion of the total energy requirements of the state and nation. El Paso is prepared to present evidence to the effect that, although the productive life of the pool will be shortened, additional reserves will be recovered as a direct result of the infill drilling program and, in any event, the additional deliverability developed by the drilling of additional wells pursuant to the approval of the Application in this case will result in greater deliverability of gas from the Blanco-Mesaverde Gas Pool at the end of a 20-year period than would

exist if the additional development does not occur.

4. In order to ensure proper recognition of all factors pertinent to this case, and in order not to preclude any such matters, the Commission should refrain from entering an order limiting and defining the evidence which it will receive and consider in this matter.

WHEREFORE, the Motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company should be denied.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& MORRIS

By *Richard J. Morris*
P.O. Box 2307
Santa Fe, N.M. 87501

Attorneys for El Paso Natural Gas Company

CERTIFICATE OF MAILING

I hereby certify that I caused to be mailed a true and correct copy of the foregoing Response to MR. JACK M. CAMPBELL of Olmsted, Cohen & Bingaman, Attorneys for Southern Union Gas Company, P.O. Box 877, Santa Fe, N.M. 87501; MR. CLARENCE E. HINKLE of Hinkle, Bondurant, Cox & Eaton, P.O. Box 10, Roswell, N.M. 88201, Attorneys for Aztec Oil & Gas Company; to MR. DOUGLAS W. FRASER, Agency Assistant Attorney General for Environmental Improvement Agency, PERA Building, P.O. Box 2348, Santa Fe, N.M. 87501; MR. FRANK COPPLER, Attorney for New Mexico Municipal League, P.O. Box 846, Santa Fe, N.M. 87501; and MR. JAMES L. PARMELEE, JR., Staff Counsel for New Mexico Public Service Commission, Bataan Memorial Building, Santa Fe, N.M. 87501, this 26th day of June, 1972.

Richard J. Morris

Rec'd
5-30-72
A.L.P.

SM

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

MOTION

Comes now, Jack M. Campbell, one of the attorneys for Southern Union Production Company, Southern Union Gathering Company and Southern Union Gas Company, enters his appearance in this matter on behalf of said companies, and for their Motion to the Commission states:

1. Applicant, El Paso Natural Gas Company, by its Response to Motion for Continuance (Paragraph 4) recites that its evidence "will show that approval of its application will enable it to supply gas to meet the needs of consumers who are dependent upon El Paso for their supply of natural gas, including Southern Union Gas Company and the other utilities who distribute natural gas to New Mexico consumers. El Paso intends to demonstrate that approval of its application in this case will alleviate gas shortages and will reduce the possibility of its being forced to curtail deliveries of gas to Southern Union Gas Company and other distributors in the State of New Mexico who obtain a portion of their gas supply from El Paso Natural Gas Company."

2. The laws of New Mexico clearly establish jurisdictional limits to this Commission in the discharge of its statutory duties and powers. No order may be issued by the Commission except it stems from or is made necessary by the prevention of waste or the

protection of correlative rights. The matters referred to in Applicant's Response to Motion for Continuance do not come within the jurisdictional limits described above.

3. To permit any evidence other than that relating to matters of prevention of waste and protection of correlative rights, as defined by the Statutes of New Mexico, is unlawful and will seriously prejudice any final order which the Commission may, after hearing, issue in this matter.

WHEREFORE: Movants request the Commission to issue its order limiting and defining the evidence which it will receive and consider in this matter and restricting such evidence to those matters provided for by the Statutes of New Mexico.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY
SOUTHERN UNION GATHERING COMPANY
SOUTHERN UNION GAS COMPANY

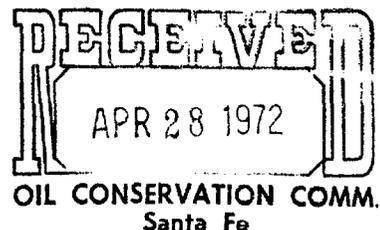
By: 
Jack M. Campbell
One of their Attorneys

Dated: May 30, 1972

I hereby certify that copies of this Motion have this date been mailed to Attorneys of record in this matter at their business addresses.


Jack M. Campbell

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

CASE NO. 4682

MOTION FOR CONTINUANCE

Petitioner, Aztec Oil & Gas Company hereby enters its appearance in this cause and respectfully moves for a continuance of this case to a date to be established as more particularly hereinafter set forth. In support of this motion, Petitioner respectfully presents the following:

1. Petitioner is the owner of interests in more than 500 wells and is the operator of 130 wells which are completed in the Blanco Mesaverde Gas Pool of San Juan, Rio Arriba and Sandoval Counties, New Mexico, and the proration units assigned to each of these wells may be affected by the Commission's actions in this case.

2. Most of the gas which Petitioner produces from the Blanco Mesaverde Gas Pool is transported for sale in interstate markets and is subject to Federal Power Commission pricing regulations.

3. El Paso Natural Gas Company has alleged that its proposal will prevent waste and protect the correlative rights of operators producing gas from the Blanco Mesaverde reservoir.

4. At the present time it is impossible for Petitioner and other "large producer's" (the term "large producer" as used herein is defined as a producer, other than a pipeline company, which sells more than 10 billion cubic feet of gas annually in interstate commerce) to evaluate the effect of El Paso Natural Gas Company's proposal upon their respective rights for the following reasons, among others:

(a) The present Federal Power Commission guideline rate for gas produced from this reservoir is 13¢ per mcf and all amounts received by producers in excess of such guideline rate are collected subject

to refund.

(b) There is now pending before the Federal Power Commission a rule making proceeding designated as Docket No. R-425 which has as its expressed purpose the determination of appropriate just and reasonable area rate levels for gas to be sold in the Rocky Mountain Area (of which the San Juan Basin is a subarea) under contracts executed prior to October 1, 1968, which proceeding would presumably cover substantially all sales from existing Blanco Mesaverde Units. The State of New Mexico filed a response in this Docket, which response included testimony by a representative of this Commission and a recommendation for a rate of 40¢ per mcf for San Juan Basin gas.

(c) El Paso Natural Gas Company has heretofore submitted to all producers from whom it purchases gas in the San Juan Basin contract amendments which provide for a rate of 28¢ per mcf for gas to be produced from wells completed in the San Juan Basin on or after June 1, 1970, which would include all infill wells contemplated in this proceeding. In addition to such 28¢ per mcf rate, the subject contract amendments also include a provision for BTU adjustments either upward or downward from a base of 1,000 BTU's per cubic foot of gas. El Paso Natural Gas Company has recommended to the Federal Power Commission, by its response in FPC Docket No. R-425, that this rate be established by the Commission as the appropriate area rate level for gas sold from wells completed in the San Juan Basin on or after June 1, 1970.

(d) Several large producers have heretofore filed with the Federal Power Commission notices of change in price for the purpose of implementing the rate change as provided in their contract amendments with El Paso Natural Gas Company. The Federal Power Commission has accepted such rate increase applications but has suspended same for a period of 5 months, the earliest of which suspension periods will terminate on September 17, 1972. ✓

5. Under existing Federal Power Commission regulations, large producers operating in the San Juan Basin are subject to such uncertainties as to price that they are unable to determine whether this proceeding will adversely affect their correlative rights. Because of these uncertainties, it is impossible to predict with any reasonable degree of accuracy whether

or not the majority of possible infill wells would result in an economic success or failure. Inasmuch as the issue of correlative rights cannot possibly be determined prior to the time when the Federal Power Commission takes affirmative action in Docket No. R-425 or permits the collection or renegotiated rates in the producers filings hereinabove referred to, this hearing should be continued until a date which is at least 15 days after the issuance by the Federal Power Commission of its pricing order in its Docket No. R-425 or after the date on which such renegotiated rate increases are permitted by FPC regulations to take effect, whichever date is the earlier. It is essential that this hearing be conducted after a reasonable length of time following such Federal Power Commission action for the purpose of permitting the affected parties to calculate and present to this Commission the effect which any order entered in this proceeding might have on their individual operations.

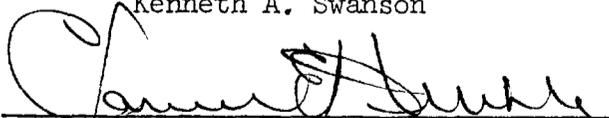
6. This motion is made for the sole and express purpose of allowing the necessary time for action by a Federal agency, which action will profoundly affect Petitioner and other large producers subject to this proceeding even to the extent of influencing the substantive decision of whether such affected party should, (1) support Applicant in this proceeding, (2) oppose Applicant, or (3) take no action whatsoever. In the absence of such information, which may reasonably be expected to be available no later than September 17, 1972, it is impossible for such determinations to be realistically made.

Wherefore Petitioner respectfully moves that the captioned cause be continued until a date which is at least fifteen (15) days after the date when the Federal Power Commission enters its pricing order in its Docket No. R-425 or September 17, 1972, whichever shall first occur. Petitioner further requests that this Commission rule upon this motion at the earliest possible date in order that all interested parties to this proceeding might be advised of the Commission's action without delay. A copy of this Petition is being delivered on this 28th day of April, 1972, to Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company.

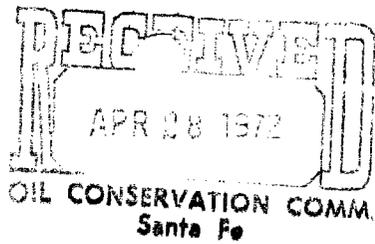
DATED: April 26, 1972



Kenneth A. Swanson


Clarence E. Hinkle

Attorneys for Aztec Oil & Gas Company



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO NATURAL GAS COMPANY)
FOR AMENDMENT OF THE RULES AND)
REGULATIONS GOVERNING THE)
BLANCO-MESAVERDE GAS POOL,)
SAN JUAN AND RIO ARriba COUNTIES,)
NEW MEXICO.)

Case No. 4682

PETITION FOR LEAVE TO INTERVENE

COMES NOW the New Mexico Environmental Improvement Agency, through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to petition the New Mexico Oil Conservation Commission for leave to intervene as a party in the hearings on the proposed amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool commencing on Tuesday, May 2, 1972, at 9:00 A.M. in the State Land Office Building, Morgan Hall, Santa Fe, New Mexico.

The New Mexico Environmental Improvement Agency is a state governmental unit established under the authority of the Environmental Improvement Act [Sections 12-19-1 through 13, N.M.S.A., 1953 Comp. (1971 Supp.)] and as such is the state agency which is directly concerned with the ecological effects of the proposed general rule in the Blanco-Mesaverde Gas Pool on the human environment. It is this agency's concern that all evidence relating to the amendment of Rules and Regulations governing the Blanco-Mesaverde Gas Pool that may affect the human environment be presented and analyzed in a thorough manner and that alternatives be considered.

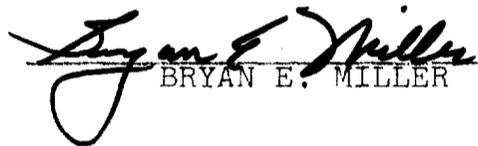
WHEREFORE, the Environmental Improvement Agency respectfully prays that we be entered as a party in these proceedings.

For Environmental Improvement Agency
Douglas W. Fraser
Douglas W. Fraser
Agency Assistant Attorney General
P.E.R.A. Building, P.O. Box 2348
Santa Fe, New Mexico 87501

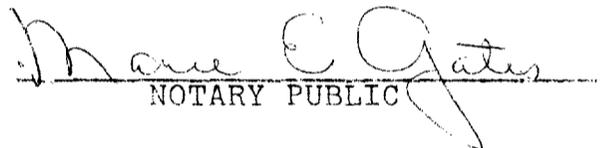
IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
FOR AMENDMENT OF THE RULES AND
REGULATIONS GOVERNING THE BLANCO-
MESAVERDE GAS POOL, SAN JUAN AND
RIO ARriba COUNTIES, NEW MEXICO.

VERIFICATION

Bryan E. Miller, acting director of the New Mexico
Environmental Improvement Agency, being first duly sworn under
oath, states that he has read the above petition and knows the
contents thereof; and that the same is true of his own knowledge,
information, or belief.


BRYAN E. MILLER

Subscribed and sworn to before me this 28th day of April,
1972.


NOTARY PUBLIC

My Commission Expires:

Dec 13 1975

BEFORE THE NEW MEXICO OIL
CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO NATURAL GAS COMPANY)
FOR AMENDMENT OF THE RULES AND)
REGULATIONS GOVERNING THE)
BLANCO-MESAVERDE GAS POOL, SAN)
JUAN AND RIO ARRIBA COUNTIES,)
NEW MEXICO.)

Case No. 4682

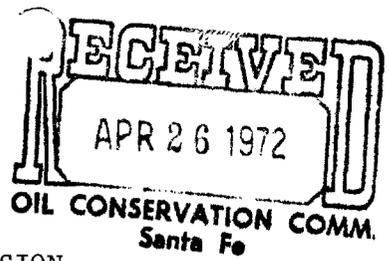
CERTIFICATE OF SERVICE

This is to certify that on this date I served a true copy of the Petition for Intervention personally to the New Mexico Oil Conservation Commission and by mail to: Montgomery, Federici, Andrews, Hannahs and Morris, Attorneys for El Paso Natural Gas Company; Jack M. Campbell and Olmsted, Cohen and Bingaman, Attorneys for Southern Union Gas Company; and Frank Coppler, Attorney for the New Mexico Municipal League, Inc.

Dated at Santa Fe, New Mexico, on this 28th day of April, 1972.



Douglas W. Fraser
Agency Assistant Attorney General
P.E.R.A. Building, P. O. Box 2348
Santa Fe, New Mexico 87501



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL PASO)
NATURAL GAS COMPANY FOR AN ORDER OF THIS)
COMMISSION ADOPTING A GENERAL RULE IN THE)
BLANCO MESA VERDE GAS POOL THAT WILL PROVIDE)
FOR THE OPTIONAL DRILLING OF A SECOND WELL ON))
AN ESTABLISHED PRORATION UNIT, AND FOR THE)
ASSIGNMENT OF ALLOWABLE FOR SUCH UNIT.)

CASE NO. 4682

PETITION FOR LEAVE TO INTERVENE

Comes now the New Mexico Municipal League, Inc., an incorporated association serving its member New Mexico municipalities representing itself as a user of natural gas and on behalf of its member municipalities who are users of natural gas and on behalf of residents of said members and files its petition for leave to intervene in this cause. The purpose of this intervention is to analyze the effect on petitioner, its member municipalities and persons living within the boundaries of its member municipalities, of El Paso Natural Gas application in case #4682. The end result of the intervention is to assure reasonable and proper gas service in member municipalities.

1. Petitioner New Mexico Municipal League, hereinafter referred to as the League, is an association of cities, towns and villages organized for the purpose of, among other things, representing participating municipalities in matters which directly affect municipal government in New Mexico and this petition is filed upon authority of the Board of Directors of said League duly made and entered at a meeting of said Board of Directors held on the 20th day of May, 1970.

2. El Paso Natural Gas Company supplies gas to the following cities who are members of the League:

- City of Deming
- City of Las Cruces

The address of the New Mexico Municipal League for all purposes is
Post Office Box 846, Santa Fe, New Mexico 87501.

3. This petition for leave to intervene is filed by the League on behalf of the several thousand residents of the municipalities served by the gas company which are members of the League and who are also consumers and rate payers of the gas company.

4. Intervenor does not have sufficient information at this time to assess its position in the matter and whether it should support Applicant, El Paso Natural Gas Company, as a wholesale supplier of gas to many public utilities under the jurisdiction of Intervenor or whether to support the position of Petitioner, Southern Union Gas Company, a public utility under the jurisdiction of Intervenor, or take a third position.

WHEREFORE, Intervenor respectfully prays that it be permitted to intervene in the above proceeding; that it be accorded all rights appropriate to its status as such Intervenor and be allowed to take a position or not as the facts develop.

DONE at Santa Fe, New Mexico, this 26th day of April, 1972.

Respectfully submitted,
NEW MEXICO MUNICIPAL LEAGUE


Frank Coppler
Esq.
P.O. Box 846
Santa Fe, New Mexico

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Frank Coppler, whose address for all purposes is P.O. Box 846, Santa Fe, New Mexico, Attorney for the New Mexico Municipal League, Petitioner herein, states that the foregoing Petition for and on behalf of the New Mexico Municipal League, was prepared by him on instruction and authority of the Board of Directors of the New Mexico Municipal League; that he has read the same and believes that statements contained therein are true.

Frank Coppler
Frank Coppler

Subscribed and sworn to before me this 26 day of April, 1972.

Maureen Jeanne Jenkins
Notary Public

My Commission expires:

May 5, 1975

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Frank Coppler, Attorney for the New Mexico Municipal League, do hereby certify that on April 26, 1972, I did mail a true and correct copy of the foregoing petition to Mr. Richard Morris of Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company, Applicant, and to Mr. Jack M. Campbell of Olmsted, Cohen & Bingaman, attorneys for Southern Union Gas Company, Petitioner and Mr. James L. Parmelee, Jr., Staff Counsel, New Mexico Public Service Commission.

Frank Coppler
Frank Coppler, Esq.
P.O. Box 846
Santa Fe, New Mexico 87501

RECEIVED
MAR 14 1972

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

CASE NO. 4682

PETITION FOR LEAVE TO INTERVENE
AND MOTION FOR CONTINUANCE

Comes now, the New Mexico Public Service Commission (Intervenor) and respectfully requests that the Oil Conservation Commission allow intervention in the above-styled and numbered matter and respectfully moves for a continuance of the matter to a date mutually acceptable to Applicant; Southern Union Gas Company, but not less than 30 days from March 22, 1972.

As grounds for this Motion, Intervenor states:

1. Intervenor is the regulatory body of the State of New Mexico having general and exclusive jurisdiction by virtue of statute over the rates, charges, service regulations and other matters relating to the sale of natural gas and electricity by public utilities in the State of New Mexico, and the sale of natural gas and electricity by any person, firm or corporation to any utility for resale in the State of New Mexico.

2. Numerous natural gas and electric utilities in the State of New Mexico depend upon El Paso Natural Gas Company (El Paso)

for their source of supply of natural gas for distribution and for a source of fuel to generate electricity.

3. Intervenor has a direct interest in the matter before the Commission to the end that reasonable and proper natural gas and electric service shall be assured to consumers in the State of New Mexico.

4. Intervenor does not have sufficient information at this time to assess its position in the matter and whether it should support Applicant, El Paso Natural Gas Company, as a wholesale supplier of gas to many public utilities under the jurisdiction of Intervenor or whether to support the position of Petitioner, Southern Union Gas Company, a public utility under the jurisdiction of Intervenor, or take a third position.

5. Attorney for Intervenor became aware of this Application on March 9, 1972. This does not provide sufficient time for preparation prior to the hearing date.

WHEREFORE, Intervenor respectfully prays that it be permitted to intervene in the above proceeding; that it be accorded all rights appropriate to its status as such Intervenor and be allowed to take a position or not as the facts develop. Intervenor further prays that the above requested continuance be allowed.

DONE at Santa Fe, New Mexico, this 14th day of March, 1972.

Respectfully submitted,

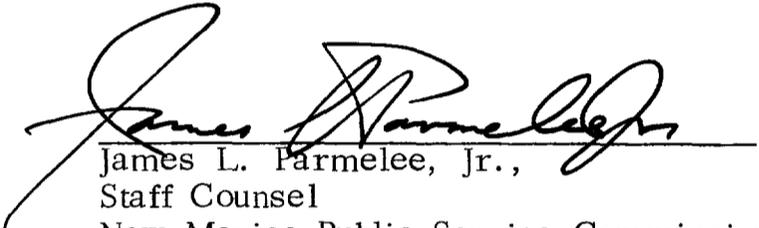
NEW MEXICO PUBLIC SERVICE COMMISSION



JAMES L. PARMELEE, JR., Staff Counsel
Bataan Memorial Building
Santa Fe, New Mexico 87501

CERTIFICATE OF SERVICE

I hereby certify that I have this day mailed a copy of the foregoing Petition for Leave to Intervene and Motion for Continuance to Mr. Richard Morris of Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company, Applicant, and to Mr. Jack M. Campbell of Olmsted, Cohen & Bingaman, attorneys for Southern Union Gas Company, Petitioner.


James L. Parmelee, Jr.,
Staff Counsel
New Mexico Public Service Commission
Bataan Memorial Building
Santa Fe, New Mexico 87501

RECEIVED

MAR 18 1972

BEFORE THE OIL CONSERVATION ^{AND} COMMISSION

COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE) Case No. 4682
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

RESPONSE TO MOTION FOR CONTINUANCE

El Paso Natural Gas Company makes the following response to the Motion for Continuance filed herein on March 9, 1972 by Southern Union Gas Company:

1. By its application in Case No. 4682, El Paso Natural Gas Company is requesting the Commission to adopt rules applicable to the Blanco Mesaverde Gas Pool of San Juan, Rio Arriba, and Sandoval Counties, New Mexico, to permit the drilling of an additional well on established gas proration units and to permit the deliverabilities of all wells on those proration units to be combined for allowable purposes.

2. There are over 2000 wells and proration units in the Blanco Mesaverde Gas Pool in New Mexico, and assuming one-half (or 1000) of these proration units attract a second well, the additional production over the next 20 years is estimated to be approximately 800 billion cubic feet of gas. The producing rate at the end of 20 years is expected to be greater even after the withdrawal of the additional 800 billion cubic feet with the 1000 infill wells than it would have been absent those additional wells. The additional revenue which would be generated by the additional wells is estimated to be in excess of \$200 million for the gas alone. The cost of drilling these wells would be approximately \$83 million. The additional royalty and taxes

accruing to the State of New Mexico during the next 20 years from this program is estimated to exceed \$25 million.

3. El Paso urgently requests that the hearing proceed as scheduled in order that El Paso and others may commence the infill drilling program at the earliest possible date. Early commencement of this program will provide gas to help meet the market requirement for the 1972-1973 heating season in New Mexico and in other parts of the country served by gas produced from the Blanco Mesaverde Gas Pool.

4. El Paso intends to present evidence at the hearing on its application to prove that approval of its application will prevent waste and protect correlative rights of the operators in the pool. In addition, El Paso's evidence will show that approval of its application will enable it to supply gas to meet the needs of consumers who are dependent upon El Paso for their supply of natural gas, including Southern Union Gas Company and other utilities who distribute natural gas to New Mexico consumers. El Paso intends to demonstrate that approval of its application in this case will alleviate gas shortages and will reduce the possibility of its being forced to curtail deliveries of gas to Southern Union Gas Company and other distributors in the State of New Mexico who obtain a portion of their gas supply from El Paso Natural Gas Company. El Paso provided 46 billion cubic feet for New Mexico consumers during 1971.

5. As an owner, producer and operator in the Blanco Mesaverde Gas Pool, long before El Paso arrived, Southern Union Gas Company has facts and studies readily available to it which should enable it to prepare for the hearing of this case on March 22, 1972. El Paso Natural Gas Company intends to hold a meeting of all operators in the Blanco Mesaverde Gas Pool on March 14, 1972,

to which meeting Southern Union Gas Company has been invited. At this operators' meeting, El Paso intends to outline, summarize, and discuss its application, as the result of which Southern Union Gas Company should be fully informed as to the matters that will be presented at the hearing before the Commission on March 22, 1972.

6. Southern Union Gas Company will not be prejudiced by denial of its Motion for Continuance, but El Paso Natural Gas Company and other operators in the Blanco Mesaverde Gas Pool, together with consumers of natural gas who are dependent upon the gas supply from the Blanco Mesaverde Gas Pool, will be substantially prejudiced by delay in hearing and approval of the application.

WHEREFORE, El Paso Natural Gas Company requests that Southern Union Gas Company's Motion for Continuance be denied. In the event the Commission should determine to grant the Motion for Continuance, El Paso Natural Gas Company respectfully requests that a new date for hearing be set at the earliest practicable time.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & MORRIS

By

Richard S. Morris
P.O. Box 2307
Santa Fe, N.M. 87501
Attorneys for El Paso Natural Gas
Company.

CERTIFICATE OF DELIVERY

I certify that I delivered a true and correct copy of the foregoing Response to Motion for Continuance to the office of JACK M. CAMPBELL, 237 East Palace Avenue, Santa Fe, N.M. 87501, Attorney for Southern Union Gas Company, this 13th day of March, 1972.

Richard S. Morris

RECEIVED

MAR-9 1972

... ..

BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

CASE NO. 4682

MOTION FOR CONTINUANCE

Petitioner, Southern Union Gas Company, by its attorneys Jack M. Campbell and Olmsted, Cohen & Bingaman enters its appearance in this matter and respectfully moves for a continuance of this matter to a date mutually acceptable to Applicant, Petitioner and the Commission but not less than thirty (30) days from March 22, 1972.

As its grounds for this Motion, Petitioner states:

1. It is an owner, producer and operator of properties within the horizontal and vertical limits of the Blanco MesaVerde Gas Pool of San Juan, Rio Arriba and Sandoval Counties, New Mexico.

2. It supplies natural gas to New Mexico consumers and has serious concerns relative to the long-term natural gas supplies available to such consumers from this pool with regard to this Application.

3. Its correlative rights to its prorata share of gas from this pool can be adversely affected in this matter.

4. While Applicant has been suggesting for several months that it might file an application concerning spacing in this pool, there has been no information available to Petitioner or its attorneys as to the definite position of Applicant concerning the filing, or as to the exact nature of its proposal, until the filing of the Application in this matter. To Petitioner's knowledge there has, to date, been no meeting of pool operators to consider this matter. There has been no action taken to provide a basis for or to justify the expense for Petitioner's advance preparation.

5. One of the Attorneys for Petitioner became aware of this application on Saturday, March 4. Petitioner received notice only through the official Commission notice of hearing process on March 6, 1972. This provides only eleven (11) working days for preparation prior to the hearing date.

6. Applicant has called a meeting of pool operators in El Paso, Texas, on March 14 at 2 P.M. Only five (5) working days remain between this meeting and the hearing date. This time lapse is totally inadequate for evaluation of Applicant's position by pool operators and for appropriate action.

7. This matter is of great significance to Petitioner, other operators in the pool, royalty owners, those responsible for management of public lands in the pool, and state agencies responsible for maintaining natural gas supplies to New Mexico consumers at reasonable costs.

8. Technical and economic factors require substantial preparation for cross-examination and presentation of Petitioners evidence requires substantial time.

9. Its attorneys cannot adequately represent Petitioner in this matter unless additional time is allowed for preparation.

WHEREFORE, Petitioner respectfully requests a continuance in this matter, as stated above, and asks the Commission to rule upon this matter as soon as possible after Applicant has had an opportunity to respond hereto. A copy of this Petition is being delivered to attorneys for Applicant, Montgomery, Federici, Andrews, Hannahs & Morris on the afternoon of March 9, 1972.



JACK M. CAMPBELL
One of the attorneys for Southern Union Gas Co.

DATED: March 9, 1972.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

RESPONSE

COMES NOW the New Mexico Environmental Improvement Agency, through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to respond to the Motion of Southern Union Production Company, Southern Union Gathering Company and Southern Union Gas Company for an Order limiting and defining the evidence which it will receive and consider in this case and hereby states that insofar as the Motion if granted might limit the evidence to be presented so that a determination by this Commission could not be made properly as to whether or not the Commission must issue an environmental impact statement, the Motion or its subsequent Order would be in violation of Section 12-20-6 N.M.S.A., 1953 Comp. (1971 Supp.) Said statute requires an environmental impact statement to be included in every recommendation or report on major state actions significantly affecting the quality of the human environment. The Commission must determine whether applicant's requested order adopting a general rule providing for the optional drilling of a second well on an established proration unit and for the assignment of allowable for such unit would be, if issued, an action requiring an impact statement under Section 12-20-6, supra.

WHEREFORE, insofar as the Motion limiting and defining the evidence would limit the Commission's ability to make a finding as to the necessity of an environmental impact statement, the Motion should be denied.

ENVIRONMENTAL IMPROVEMENT AGENCY

by Douglas W. Fraser
Douglas W. Fraser
Agency Assistant Attorney General
P. O. Box 2348
Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

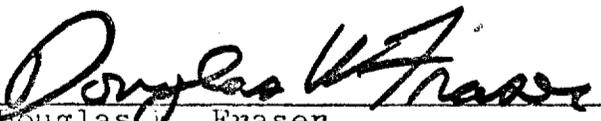
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EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
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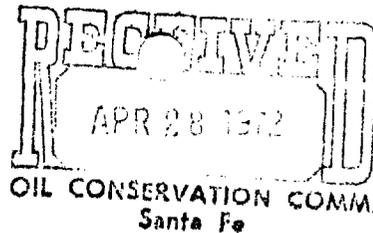
Case No. 4682

MOTION

COMES NOW the New Mexico Environmental Improvement Agency through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to move that this hearing on the proposed adoption of an amended general rule in the Blanco-Mesa Verde Gas Pool be rescheduled until such time as the proposal may be accompanied with an environmental impact statement as required by Section 12-20-6 N.M.S.A., 1953 Comp. (1971 Supp.)

ENVIRONMENTAL IMPROVEMENT AGENCY

by 
Douglas W. Fraser
Agency Assistant Attorney
General
P. O. Box 2348
Santa Fe, New Mexico 87501



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO NATURAL GAS COMPANY)
FOR AMENDMENT OF THE RULES AND)
REGULATIONS GOVERNING THE)
BLANCO-MESAVERDE GAS POOL,)
SAN JUAN AND RIO ARriba COUNTIES,)
NEW MEXICO.)

Case No. 4682

PETITION FOR LEAVE TO INTERVENE

COMES NOW the New Mexico Environmental Improvement Agency, through its attorney, Douglas W. Fraser, Agency Assistant Attorney General, to petition the New Mexico Oil Conservation Commission for leave to intervene as a party in the hearings on the proposed amendment of the Rules and Regulations governing the Blanco-Mesaverde Gas Pool commencing on Tuesday, May 2, 1972, at 9:00 A.M. in the State Land Office Building, Morgan Hall. Santa Fe, New Mexico.

The New Mexico Environmental Improvement Agency is a state governmental unit established under the authority of the Environmental Improvement Act [Sections 12-19-1 through 13, N.M.S.A., 1953 Comp. (1971 Supp.)] and as such is the state agency which is directly concerned with the ecological effects of the proposed general rule in the Blanco-Mesaverde Gas Pool on the human environment. It is this agency's concern that all evidence relating to the amendment of Rules and Regulations governing the Blanco-Mesaverde Gas Pool that may affect the human environment be presented and analyzed in a thorough manner and that alternatives be considered.

WHEREFORE, the Environmental Improvement Agency respectfully prays that we be entered as a party in these proceedings.

For Environmental Improvement Agency
Douglas W. Fraser
Douglas W. Fraser
Agency Assistant Attorney General
P.E.R.A. Building, P.O. Box 2348
Santa Fe, New Mexico 87501

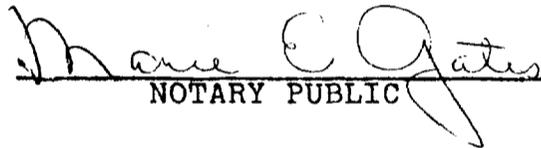
IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
FOR AMENDMENT OF THE RULES AND
REGULATIONS GOVERNING THE BLANCO-
MESAVERDE GAS POOL, SAN JUAN AND
RIO ARRIBA COUNTIES, NEW MEXICO.

VERIFICATION

Bryan E. Miller, acting director of the New Mexico
Environmental Improvement Agency, being first duly sworn under
oath, states that he has read the above petition and knows the
contents thereof; and that the same is true of his own knowledge,
information, or belief.


BRYAN E. MILLER

Subscribed and sworn to before me this 28th day of April,
1972.


NOTARY PUBLIC

My Commission Expires:

Dec 13 1975

BEFORE THE NEW MEXICO OIL
CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO NATURAL GAS COMPANY)
FOR AMENDMENT OF THE RULES AND)
REGULATIONS GOVERNING THE)
BLANCO-MESAVERDE GAS POOL, SAN)
JUAN AND RIO ARRIBA COUNTIES,)
NEW MEXICO.)

Case No. 4682

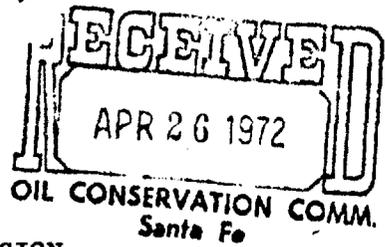
CERTIFICATE OF SERVICE

This is to certify that on this date I served a true copy of the Petition for Intervention personally to the New Mexico Oil Conservation Commission and by mail to: Montgomery, Federici, Andrews, Hannahs and Morris, Attorneys for El Paso Natural Gas Company; Jack M. Campbell and Olmsted, Cohen and Bingaman, Attorneys for Southern Union Gas Company; and Frank Coppler, Attorney for the New Mexico Municipal League, Inc.

Dated at Santa Fe, New Mexico, on this 28th day of April, 1972.



Douglas W. Fraser
Agency Assistant Attorney General
P.E.R.A. Building, P. O. Box 2348
Santa Fe, New Mexico 87501



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL PASO)
NATURAL GAS COMPANY FOR AN ORDER OF THIS)
COMMISSION ADOPTING A GENERAL RULE IN THE)
BLANCO MESA VERDE GAS POOL THAT WILL PROVIDE)
FOR THE OPTIONAL DRILLING OF A SECOND WELL ON)
AN ESTABLISHED PRORATION UNIT, AND FOR THE)
ASSIGNMENT OF ALLOWABLE FOR SUCH UNIT.)

CASE NO. 4682

PETITION FOR LEAVE TO INTERVENE

Comes now the New Mexico Municipal League, Inc., an incorporated association serving its member New Mexico municipalities representing itself as a user of natural gas and on behalf of its member municipalities who are users of natural gas and on behalf of residents of said members and files its petition for leave to intervene in this cause. The purpose of this intervention is to analyze the effect on petitioner, its member municipalities and persons living within the boundaries of its member municipalities, of El Paso Natural Gas application in case #4682. The end result of the intervention is to assure reasonable and proper gas service in member municipalities.

1. Petitioner New Mexico Municipal League, hereinafter referred to as the League, is an association of cities, towns and villages organized for the purpose of, among other things, representing participating municipalities in matters which directly affect municipal government in New Mexico and this petition is filed upon authority of the Board of Directors of said League duly made and entered at a meeting of said Board of Directors held on the 20th day of May, 1970.

2. El Paso Natural Gas Company supplies gas to the following cities who are members of the League:

- City of Deming
- City of Las Cruces

The address of the New Mexico Municipal League for all purposes is
Post Office Box 846, Santa Fe, New Mexico 87501.

3. This petition for leave to intervene is filed by the League on behalf of the several thousand residents of the municipalities served by the gas company which are members of the League and who are also consumers and rate payers of the gas company.

4. Intervenor does not have sufficient information at this time to assess its position in the matter and whether it should support Applicant, El Paso Natural Gas Company, as a wholesale supplier of gas to many public utilities under the jurisdiction of Intervenor or whether to support the position of Petitioner, Southern Union Gas Company, a public utility under the jurisdiction of Intervenor, or take a third position.

WHEREFORE, Intervenor respectfully prays that it be permitted to intervene in the above proceeding; that it be accorded all rights appropriate to its status as such Intervenor and be allowed to take a position or not as the facts develop.

DONE at Santa Fe, New Mexico, this 26th day of April, 1972.

Respectfully submitted,

NEW MEXICO MUNICIPAL LEAGUE


Frank Coppler
Esq.
P.O. Box 846
Santa Fe, New Mexico

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Frank Coppler, whose address for all purposes is P.O. Box 846, Santa Fe, New Mexico, Attorney for the New Mexico Municipal League, Petitioner herein, states that the foregoing Petition for and on behalf of the New Mexico Municipal League, was prepared by him on instruction and authority of the Board of Directors of the New Mexico Municipal League; that he has read the same and believes that statements contained therein are true.

Frank Coppler
Frank Coppler

Subscribed and sworn to before me this 26 day of April, 1972.

Margaret Jeanne Jenkins
Notary Public

My Commission expires:

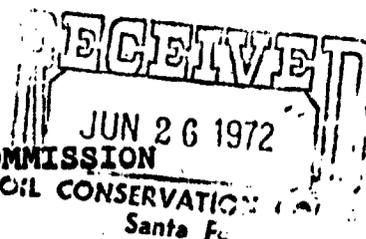
May 5, 1975

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Frank Coppler, Attorney for the New Mexico Municipal League, do hereby certify that on April 26, 1972, I did mail a true and correct copy of the foregoing petition to Mr. Richard Morris of Montgomery, Federici, Andrews, Hannahs & Morris, attorneys for El Paso Natural Gas Company, Applicant, and to Mr. Jack M. Campbell of Olmsted, Cohen & Bingaman, attorneys for Southern Union Gas Company, Petitioner and Mr. James L. Parmelee, Jr., Staff Counsel, New Mexico Public Service Commission.

Frank Coppler
Frank Coppler, Esq.
P.O. Box 846
Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO-MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

RESPONSE

El Paso Natural Gas Company hereby responds to the Motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company for an Order limiting and defining the evidence which it will receive and consider in this case, and states:

1. The Applicant, El Paso Natural Gas Company, recognizes that any Order entered by the Commission approving the Application in this case must be based upon prevention of waste and protection of correlative rights, pursuant to the Oil and Gas Conservation Statutes of New Mexico.

2. In addition to the powers and duties conferred upon the Commission by the Oil and Gas Conservation Statutes, the Commission also is authorized and required to consider the manner in which its actions may affect the environment, and the Commission is required to make a detailed Environmental Impact Statement in connection with any major state action which significantly affects the quality of the human environment. The Commission must determine whether this case is of such a nature as to require preparation of such a Statement, and to that end the Commission should receive and consider evidence relating to the various factors specified in Section 12-20-6 N.M.S.A., which it must consider if it determines that an Environmental Impact Statement is required in this case.

3. The Commission should receive and consider evidence relative to the market demand for gas from the San Juan Basin and from the Blanco-Mesaverde Gas Pool in particular, and should consider all the effects of its actions in this case (including those environmental in nature) not only upon the producers, but also upon the purchasers, distributors and ultimate consumers of this gas. In this regard, the Commission should not blind itself to the national energy crisis and the serious problems currently facing the natural gas industry throughout the country; nor is the Commission required by law to disregard such important matters.

The Commission has the authority, as well as the duty, to determine that a market exists for the additional deliverability that will be developed by the drilling of additional wells if the Application is approved. Obviously, the economic feasibility of the infill drilling program is directly related to market conditions and is predicated upon the assumption of a firm demand for gas from the San Juan Basin.

The Commission also should consider the waste, both physical and economic, which will result if the productive life of the Blanco-Mesaverde Gas Pool is permitted to continue beyond the physical capability of existing wells and related facilities and beyond the time that natural gas can be expected to fulfill a significant portion of the total energy requirements of the state and nation. El Paso is prepared to present evidence to the effect that, although the productive life of the pool will be shortened, additional reserves will be recovered as a direct result of the infill drilling program and, in any event, the additional deliverability developed by the drilling of additional wells pursuant to the approval of the Application in this case will result in greater deliverability of gas from the Blanco-Mesaverde Gas Pool at the end of a 20-year period than would

exist if the additional development does not occur.

4. In order to ensure proper recognition of all factors pertinent to this case, and in order not to preclude any such matters, the Commission should refrain from entering an order limiting and defining the evidence which it will receive and consider in this matter.

WHEREFORE, the Motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company should be denied.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS
& MORRIS

By

Richard J. Morris
P.O. Box 2307
Santa Fe, N.M. 87501

Attorneys for El Paso Natural Gas Company

CERTIFICATE OF MAILING

I hereby certify that I caused to be mailed a true and correct copy of the foregoing Response to MR. JACK M. CAMPBELL of Olmsted, Cohen & Bingaman, Attorneys for Southern Union Gas Company, P.O. Box 877, Santa Fe, N.M. 87501; MR. CLARENCE E. HINKLE of Hinkle, Bondurant, Cox & Eaton, P.O. Box 10, Roswell, N.M. 88201, Attorneys for Aztec Oil & Gas Company; to MR. DOUGLAS W. FRASER, Agency Assistant Attorney General for Environmental Improvement Agency, PERA Building, P.O. Box 2348, Santa Fe, N.M. 87501; MR. FRANK COPPLER, Attorney for New Mexico Municipal League, P.O. Box 846, Santa Fe, N.M. 87501; and MR. JAMES L. PARMELEE, JR., Staff Counsel for New Mexico Public Service Commission, Bataan Memorial Building, Santa Fe, N.M. 87501, this 26th day of June, 1972.

Richard J. Morris

Rec'd
5-30-72
A.L.P.

JA

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESA)
VERDE GAS POOL THAT WILL PROVIDE FOR)
THE OPTIONAL DRILLING OF A SECOND)
WELL ON AN ESTABLISHED PRORATION UNIT,)
AND FOR THE ASSIGNMENT OF ALLOWABLE)
FOR SUCH UNIT.)

Case No. 4682

MOTION

Comes now, Jack M. Campbell, one of the attorneys for Southern Union Production Company, Southern Union Gathering Company and Southern Union Gas Company, enters his appearance in this matter on behalf of said companies, and for their Motion to the Commission states:

1. Applicant, El Paso Natural Gas Company, by its Response to Motion for Continuance (Paragraph 4) recites that its evidence "will show that approval of its application will enable it to supply gas to meet the needs of consumers who are dependent upon El Paso for their supply of natural gas, including Southern Union Gas Company and the other utilities who distribute natural gas to New Mexico consumers. El Paso intends to demonstrate that approval of its application in this case will alleviate gas shortages and will reduce the possibility of its being forced to curtail deliveries of gas to Southern Union Gas Company and other distributors in the State of New Mexico who obtain a portion of their gas supply from El Paso Natural Gas Company."

2. The laws of New Mexico clearly establish jurisdictional limits to this Commission in the discharge of its statutory duties and powers. No order may be issued by the Commission except it stems from or is made necessary by the prevention of waste or the

protection of correlative rights. The matters referred to in Applicant's Response to Motion for Continuance do not come within the jurisdictional limits described above.

3. To permit any evidence other than that relating to matters of prevention of waste and protection of correlative rights, as defined by the Statutes of New Mexico, is unlawful and will seriously prejudice any final order which the Commission may, after hearing, issue in this matter.

WHEREFORE: Movants request the Commission to issue its order limiting and defining the evidence which it will receive and consider in this matter and restricting such evidence to those matters provided for by the Statutes of New Mexico.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY
SOUTHERN UNION GATHERING COMPANY
SOUTHERN UNION GAS COMPANY

By: Jack M Campbell
Jack M. Campbell
One of their Attorneys

Dated: May 30, 1972

I hereby certify that copies of this Motion have this date been mailed to Attorneys of record in this matter at their business addresses.

Jack M Campbell
Jack M. Campbell

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
EL PASO NATURAL GAS COMPANY FOR AN)
ORDER OF THIS COMMISSION ADOPTING A)
GENERAL RULE IN THE BLANCO MESAVERDE)
GAS POOL THAT WILL PROVIDE FOR THE)
OPTIONAL DRILLING OF A SECOND WELL)
ON AN ESTABLISHED PRORATION UNIT, AND)
FOR THE ASSIGNMENT OF ALLOWABLE FOR)
SUCH UNIT.)

CASE NO. 4682

TO ALL PERSONS INTERESTED IN THE
BLANCO-MESAVERDE POOL.

NOTICE OF CONTINUANCE

The above-described Case 4682 came on for hearing at 9 a.m. on May 2, 1972, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

That the Commission, a quorum being present, and being fully advised in the premises, continued Case 4682. The Case to be heard at 9 a.m., July 19, 1972, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.

The Commission further declared that motions may be filed in the Case until June 1, 1972, and that arguments on all motions, including those which have already been filed, will be heard at 9 a.m. on June 27, 1972, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.


A. L. PORTER, Jr.
Secretary-Director