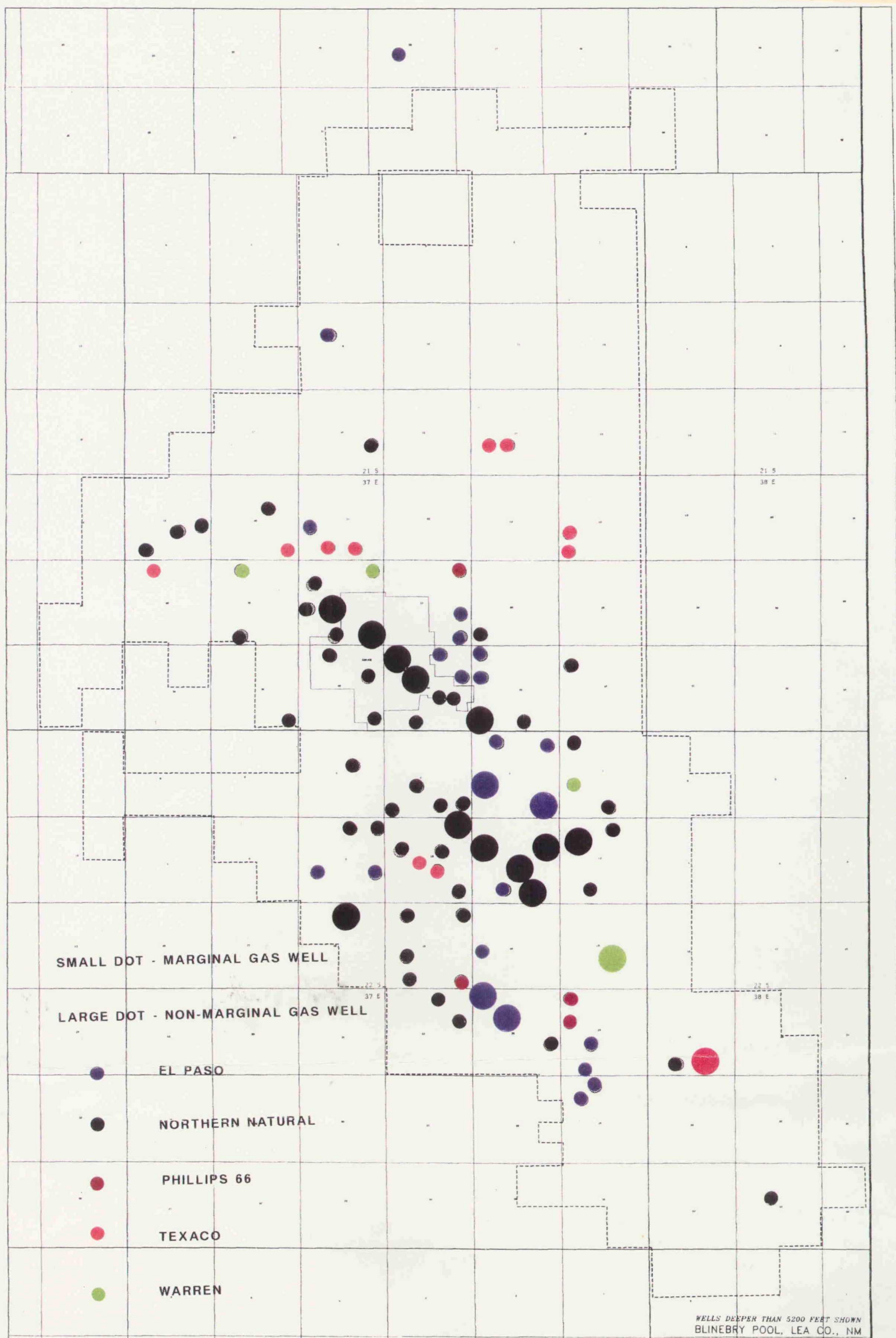


BLINEBRY POOL

Marathon Exhibits 1 through
Complete Set



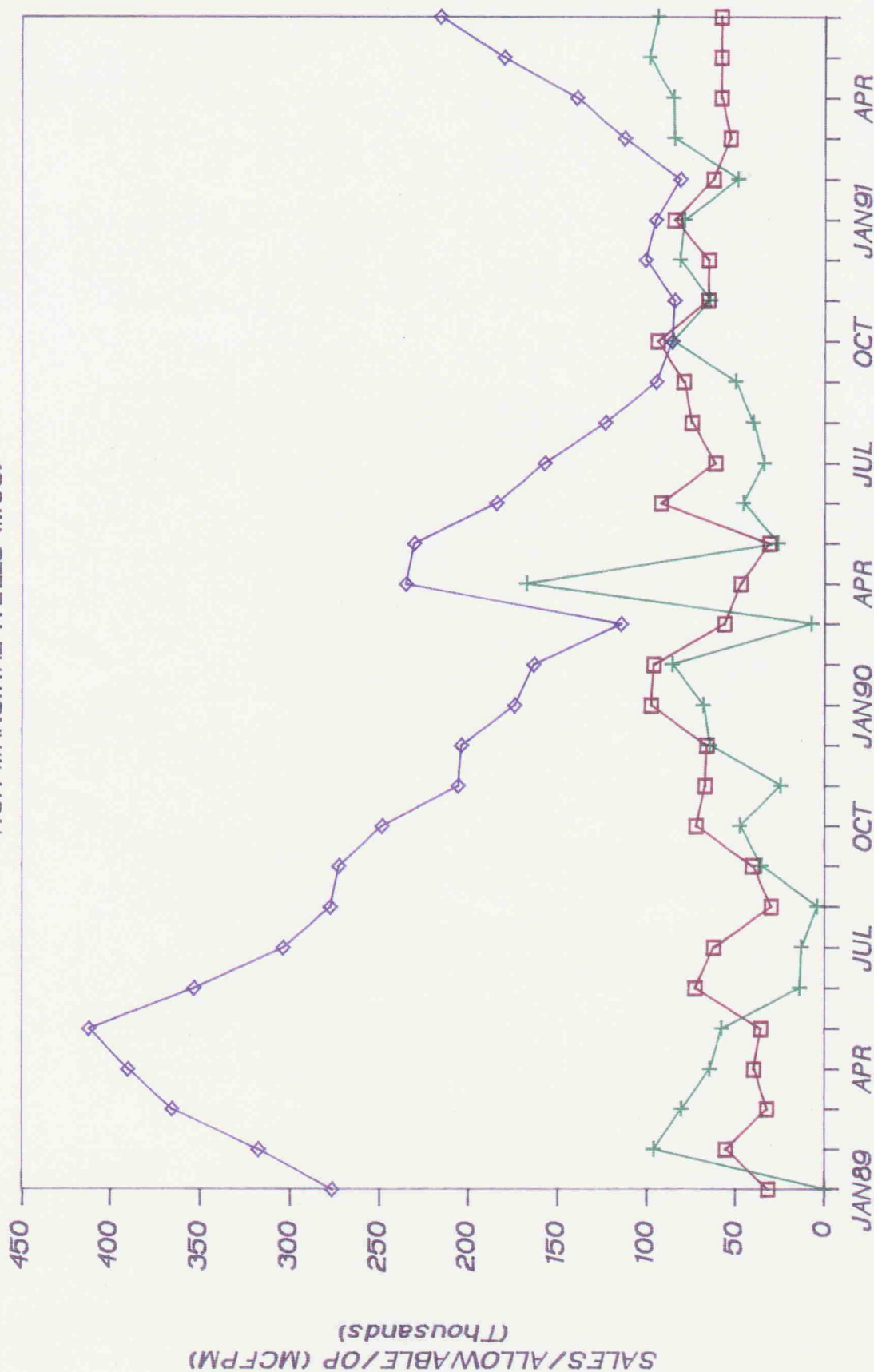
BLINEBRY POOL
NON MARGINAL GAS WELLS (MOC)

<u>DATE</u>	<u>MARK OWEN NO. 2</u>		<u>LOU WORTHAN NO. 9</u>		<u>LOU WORTHAN NO. 12</u>	
	<u>RATE</u> <u>(MCFD)</u>	<u>FCP</u> <u>(PSIG)</u>	<u>RATE</u> <u>(MCFD)</u>	<u>FCP</u> <u>(PSIG)</u>	<u>RATE</u> <u>(MCFD)</u>	<u>FCP</u> <u>(PSIG)</u>
8/17/91	1,940	160	1,940	135	1,940	150
8/18/91	1,796	160	1,836	150	1,938	140
8/19/91	1,733	160	1,782	90	1,823	150
8/20/91	1,678	150	1,799	90	1,900	140
8/21/91	1,596	150	1,810	100	1,864	150
8/22/91	1,504	150	1,790	100	1,881	130
8/23/91	1,504	160	1,766	90	1,836	140

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 2
Submitted By: MARATHON OIL Co.
Hearing Date: 8/29/91

BLINEBRY POOL

NON MARGINAL WELLS (MOC)

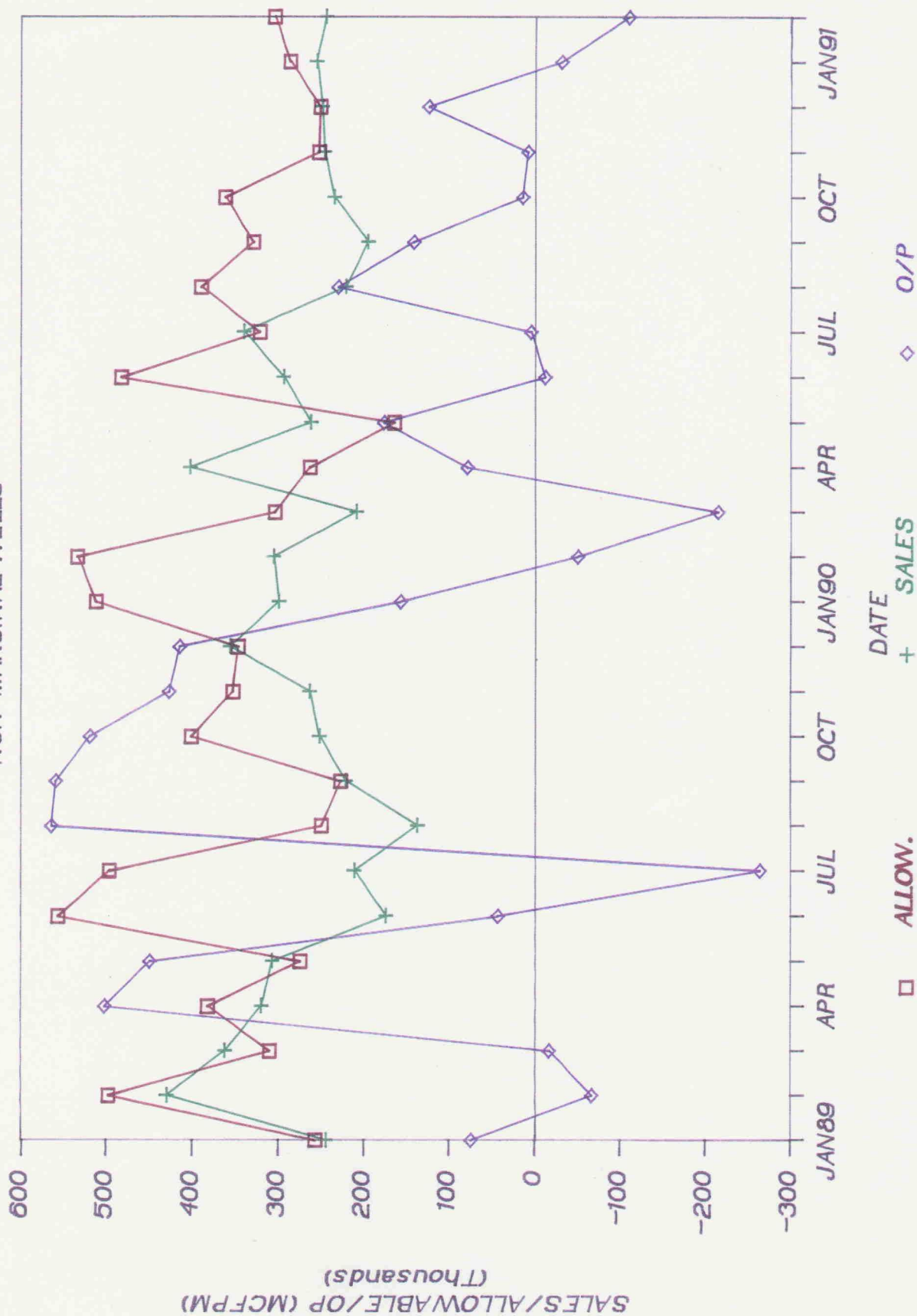


DATE
+ SALES
O/P

ALLOW.

BLINEBRY POOL

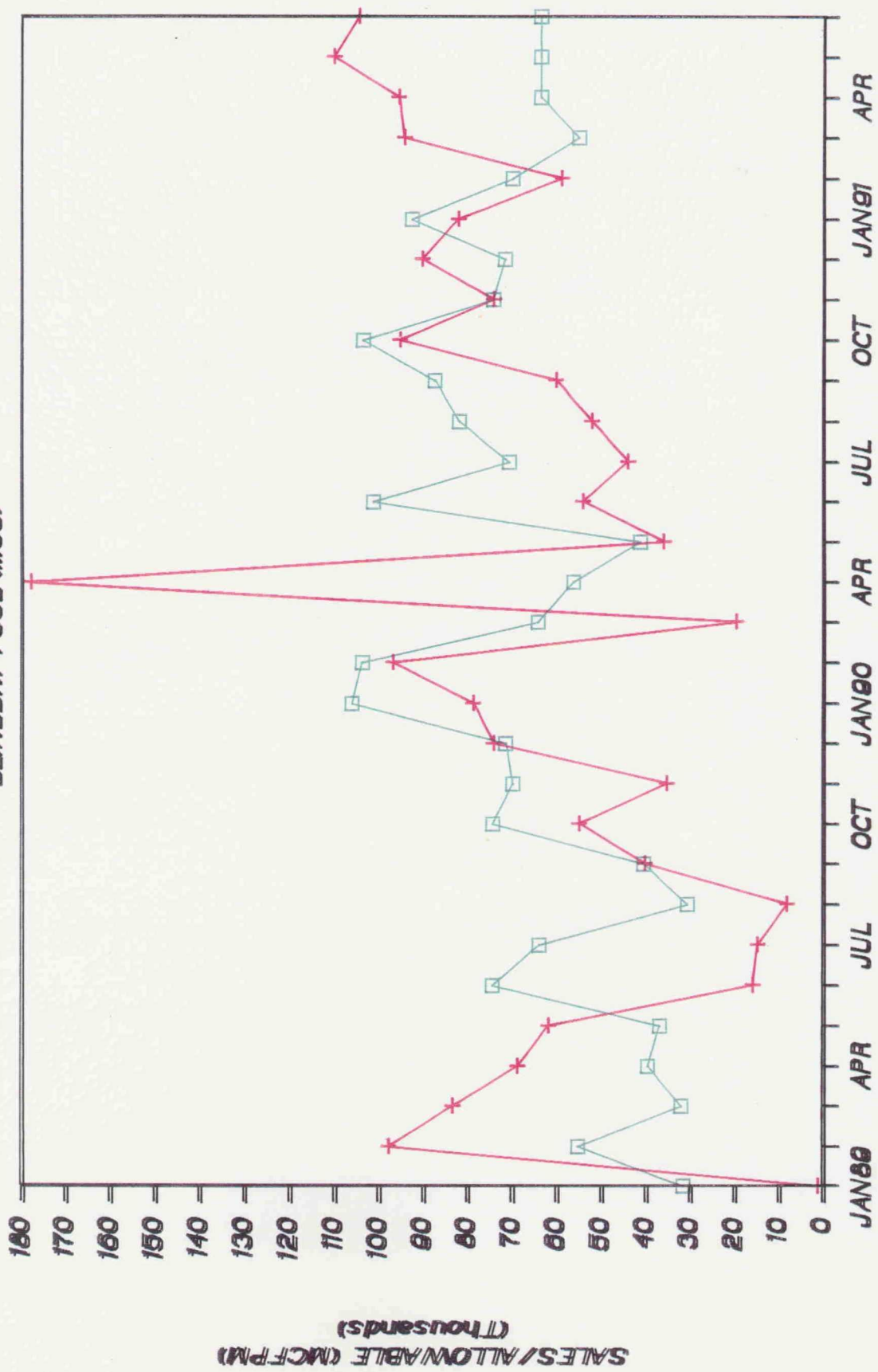
NON-MARGINAL WELLS



Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 5
Submitted By: MARATHON Oil Co.
Hearing Date: Aug. 25, 1981

DRINKARD FIELD

BLINEBRY POOL (MOC)



PURCH./
GATH./
TRANS.

=====

NORTHERN NAT. GAS

ACREAGE

OPERATOR =====	WELL NAME =====	FACTOR =====
HENDRIX CORP.	ELLIOTT HINTON #1	1.00
MARATHON	MARK OWEN #2	1.00
	LOU WORTHAM #9	1.00
	LOU WORTHAM #12	1.00
MOBIL	S. E. LONG (MWU)	1.00
	MARSHALL COM #2	1.00
CHEVRON	J. N. CARSON NCT A #9 (MWU)	1.00
	J. N. CARSON NCT C #6	0.75
	R. E. COLE NCT A #6	0.25
	EAVES #6	0.25
		=====
		8.25

EL PASO NAT. GAS

OPERATOR =====	WELL NAME =====	FACTOR =====
ARCO	OLLIE J. BOYD (MWU)	1.00
EXXON	NEW MEXICO ST. #21	0.25
	NEW MEXICO ST. #23	0.75
		=====
		2.00

WARREN

OPERATOR =====	WELL NAME =====	FACTOR =====
MARATHON	EDITH BUTLER #2	0.25
		=====
		0.25

TEXACO PROD. INC.

OPERATOR =====	WELL NAME =====	FACTOR =====
TEXACO INC.	A. H. BLINEBRY FED. NCT 1	0.25
		=====
		0.25

=====

10.75

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 6
Submitted By: MARATHON OIL Co.
Hearing Date: 8/29/91

ENSP216T--ENSP216-01
RUN-TIME: 15:33:47

REVISED PRELIMINARY ALLOWABLE ESTIMATES
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - SOUTHEAST NEW MEXICO
FOR OCT 91 THRU MAR 92

RUN-DATE 08/16/91

ATOKA PENN BLINEBRY BUFFALO BURTON FLAT CARLSBAD CATELAN DRAH EUMONT INDIAN BASIN INDIAN BASIN JALPAT JUSTIS GL TUBB
VALLEY PENN MORROM MORROM MORROM UPPER PENN
ALL VOLUME ARE IN MCF.

(2) TOTAL

NOMINATIONS
AVG MONTH VOL.

449,000

(3) ADJUSTMENTS. 27,000 73,000 56,000 14,000 204,616 4,000 328,000 319,475 6,000 35,000
(4) MONTHLY POOL ALLOWABLE 140,401 487,669 214,667 436,754 293,631 160,818 2,423,399 200,828 3,557,032 1,203,831 45,436 266,773
OCT91-MAR92
(LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL POOL ALLOWABLE 32,121 157,145 118,757 183,645 213,958 92,288 1,385,423 75,247 2,542,064 801,231 14,064 156,974
OCT91-MAR92
(6) MONTHLY NON-MARGINAL POOL ALLOWABLE 108,280 330,524 95,910 253,109 79,673 68,530 1,037,976 125,581 1,014,968 402,600 31,372 111,779
OCT91-MAR92
LINE 4 - LINE 5

(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS 3.42 10.75 2.00 6.88 3.97 2.00 56.72 .86 5.49 22.00 9.00 11.00
(8) MONTHLY ACREAGE ALLOCATE FACTOR 31,660 30,746 47,955 36,789 20,068 34,265 18,300 146,024 184,875 18,300 3,485 10,163
OCT91-MAR92
(LN 6 / LN 7)

F1 FACTORS FOR OTHER POOLS
BURTON FLAT STRAWN F1 = 10,000
MONUMENT MCKEE ELLEN F1 = 25,000

OCD Exhibits 1 through 5
Complete Set

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico
Case No. <u>10371</u> Exhibit No. <u>1</u>
Submitted by <u>OCD</u>
Hearing Date <u>Aug 29, 1991</u>

ENG216T--ENG216-01
RUN-TIME: 15:33:47

REVISED PRELIMINARY ALLOWABLE ESTIMATES
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - NORTHWEST NEW MEXICO
FOR OCT 91 THRU MAR 92

RUN-DATE 08/16/91

APPROVED BY: [Signature]
DAKOTA BLANCO BLANCO TAPACITO
MESA VERDE P.C. SOUTH

(1) AVERAGE MONTHLY 8,033,542 13,999,619 1,185,220 204,195
POOL SALES
OCT90-MAR91
ALL VOLUME ARE IN MCF.

(2) TOTAL
NOMINATIONS
AVG MONTH VOL.

(3) ADJUSTMENTS. 46,000

(4) MONTHLY POOL 8,033,542 14,045,619 1,185,220 204,195
ALLOWABLE
OCT91-MAR92
(LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL 4,180,677 6,597,257 515,312 81,801
POOL ALLOWABLE
OCT91-MAR92

(6) MONTHLY 3,852,865 7,448,362 669,908 122,394
NON-MARGINAL
POOL ALLOWABLES
OCT91-MAR92
LINE 4 - LINE 5

(7) NUMBER OF 433.65 599.93 456.61 91.74
NON-MARGINAL
ACREAGE FACTORS

(8) NUMBER OF 206,913 442,938 27,586 9,304
NON-MARGINAL
ACREAGE TIMES
DELIVERABILITY
FACTORS

(9) MONTHLY ACREAGE 5,330 3,103 366 333
ALLOCATE FACTOR
OCT91-MAR92

(10) MONTHLY ACREAGE 7.44 12.61 18.21 9.86
TIMES
DELIVERABILITY
ALLOCATE FACTOR
OCT91-MAR92

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 2
Submitted by OCD
Hearing Date Aug 29, 1991

COMPARISON OF MONTHLY AVERAGE
POOL ALLOWABLES, SALES, F1 AND F2 FACTORS

PERIOD	ATOKA PENN	BLINEBRY	BUFFALO VALLEY PENN	BURTON FLAT MORROW	CARLSBAD MORROW	CATCLAW DRAW
OCT 89-MAR 90						
POOL ALLOWABLE:MCF PER MO	90,502	584,153	226,422	507,581	333,609	231,865
F1	88,473	445,221	207,301	392,388	256,256	126,029
F2	10,193	23,478	33,319	18,931	34,780	31,079
OCT 90-MAR 91						
POOL ALLOWABLE:MCF PER MO	100,273	441,816	239,674	544,365	200,077	146,514
F1	113,401	414,669	214,667	436,754	237,631	146,818
F2	17,180	21,879	33,489	39,884	10,517	21,757
OCT 91-MAR 92						
POOL ALLOWABLE:MCF PER MO	140,401	487,669	214,667	436,754	293,631	160,818
F1	31,660	30,746	47,955	36,789	20,068	34,285
F2						
PERIOD	EUMONT	IND. BASIN MORROW	IND. BASIN UPPER PENN	JALMAT	JUSTIS GLORIAITA	TUBB
OCT 89-MAR 90						
POOL ALLOWABLE:MCF PER MO	2,279,715	90,717	3,187,359	775,942	57,744	338,032
F1	1,779,169	78,348	3,052,361	855,488	60,222	289,732
F2	13,965	47,191	132,760	7,184	3,575	8,383
OCT 90-MAR 91						
POOL ALLOWABLE:MCF PER MO	2,234,375	209,172	3,431,660	973,904	46,147	236,501
F1	2,318,783	196,828	3,229,032	884,356	39,436	213,773
F2	16,991	159,687	173,285	13,912	3,541	10,127
OCT 91-MAR 92						
POOL ALLOWABLE:MCF PER MO	2,423,399	200,828	3,557,032	1,203,831	45,436	266,773
F1	18,300	146,024	184,875	18,300	3,485	10,163
F2						
PERIOD	BASIN DAKOTA	BLANCO MESAVERDE	BLANCO P.C. SOUTH	TAPACITO		
OCT 89-MAR 90						
POOL ALLOWABLE:MCF PER MO	12,242,569	16,894,172	1,797,464	449,567		
F1	10,302,401	14,990,087	1,115,864	318,270		
F2	4,528	2,629	375	488		
OCT 90-MAR 91						
POOL ALLOWABLE:MCF PER MO	9,416,739	15,731,709	1,508,811	332,221		
F1	8,033,542	13,999,619	1,185,220	204,195		
F2	5,676	3,690	483	546		
OCT 91-MAR 92						
POOL ALLOWABLE:MCF PER MO	8,033,542	14,045,619	1,185,220	204,195		
F1	5,330	3,103	366	333		
F2	7,44	12,61	18,21	9,86		

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 3
Submitted by OCD
Hearing Date Aug 29, 1991

EXPLANATION FOR POOL ALLOWABLE ADJUSTMENTS

Prorated Gas Pools - Oct '91-Mar '92

<u>POOL</u>	<u>ADJUSTMENT MCF PER MONTH</u>	<u>REASON FOR ADJUSTMENT</u>
Atoka Penn	27,000	Overproduction
Blinebry	73,000	"
Carlsbad Morrow	56,000	Overproduction and Recent Production Volumes
Catchlaw Draw	14,000	Overproduction
Eumont	204,616	Minimum Allowable
Indian Basin Morrow	4,000	Overproduction
Indian Basin Upper Penn	328,000	Overproduction and Recent Production Volumes
Jalmat	319,475	Minimum Allowable
Justis	6,000	Recent Production
Tubb	35,000	" "
Blanco Mesaverde	46,000	Overproduction

Monthly Marginal Pool Allowables for Oct '91-Mar '92 are estimated based on Apr and May, 1991 Pool Sales Volumes.

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No. <u>10337</u>	Exhibit No. <u>4</u>
Submitted by <u>OCD</u>	
Hearing Date <u>Aug 29, 1991</u>	

**COMPARISON OF APRIL AND MAY 1991 SALES VOLUMES
AND ALLOWABLES; MCF PER MONTH**

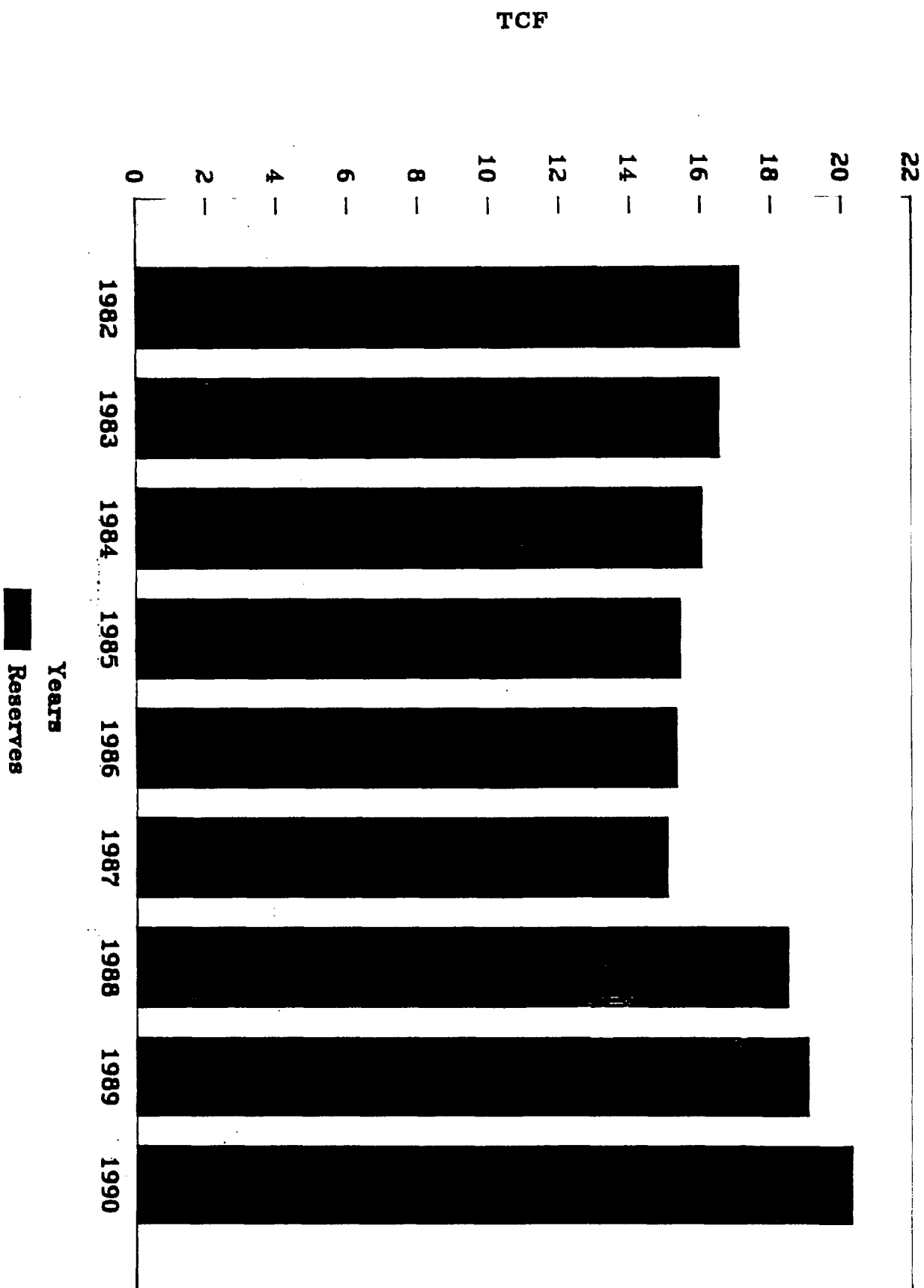
NEW MEXICO PRORATED GAS SALES

<u>POOL</u>	<u>APR-SEP 1991 MONTHLY ALLOWABLE</u>	<u>AVG. MONTHLY SALES APR.-MAY, 1991</u>
Atoka Penn	107,414	101,987
Blinebry	368,928	423,780
Buffalo Valley Penn	221,054	151,296
Burton Flat Morrow	481,903	303,122
Carlsbad Morrow	252,146	252,452
Catchlaw Draw Morrow	161,064	102,195
Eumont	2,278,783	2,112,369
Indian Basin Morrow	144,974	167,651
Indian Basin Upper Penn	3,166,408	3,231,461
Jalmat	1,148,663	1,091,336
Justis Glorieta	43,021	44,499
Tubb	266,658	245,611
Basin Dakota	8,552,554	6,359,286
Blanco Mesaverde	13,546,300	13,862,223
Blanco P.C. South	1,242,564	991,596
Tapacito	234,518	177,580

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>10377</u>	Exhibit No. <u>5</u>
Submitted by <u>OCD</u>	
Hearing Date <u>Aug 29, 1991</u>	

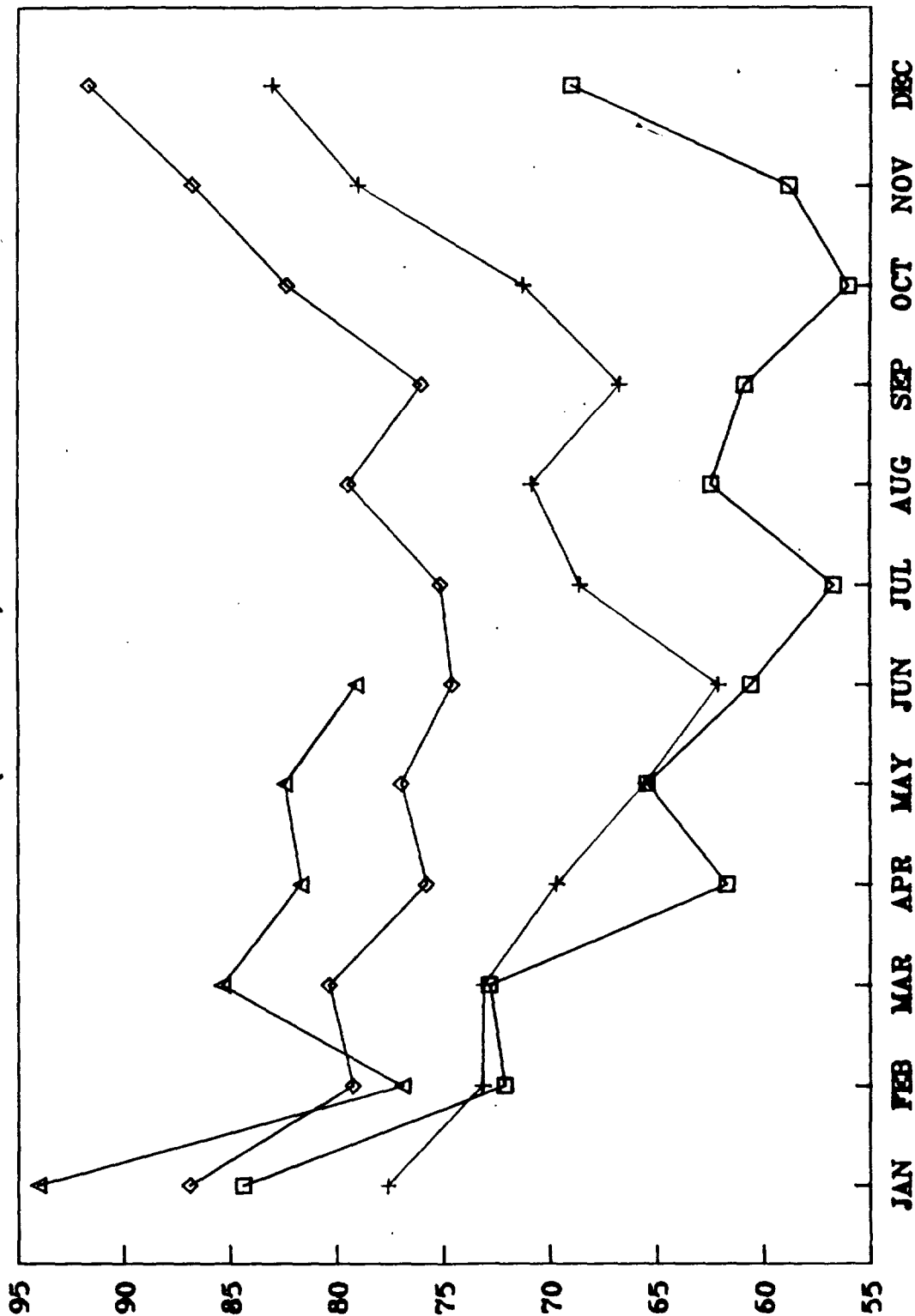
New Mexico Proven Natural Gas Reserves

1990 Estimated



NEW MEXICO NATURAL GAS PRODUCTION

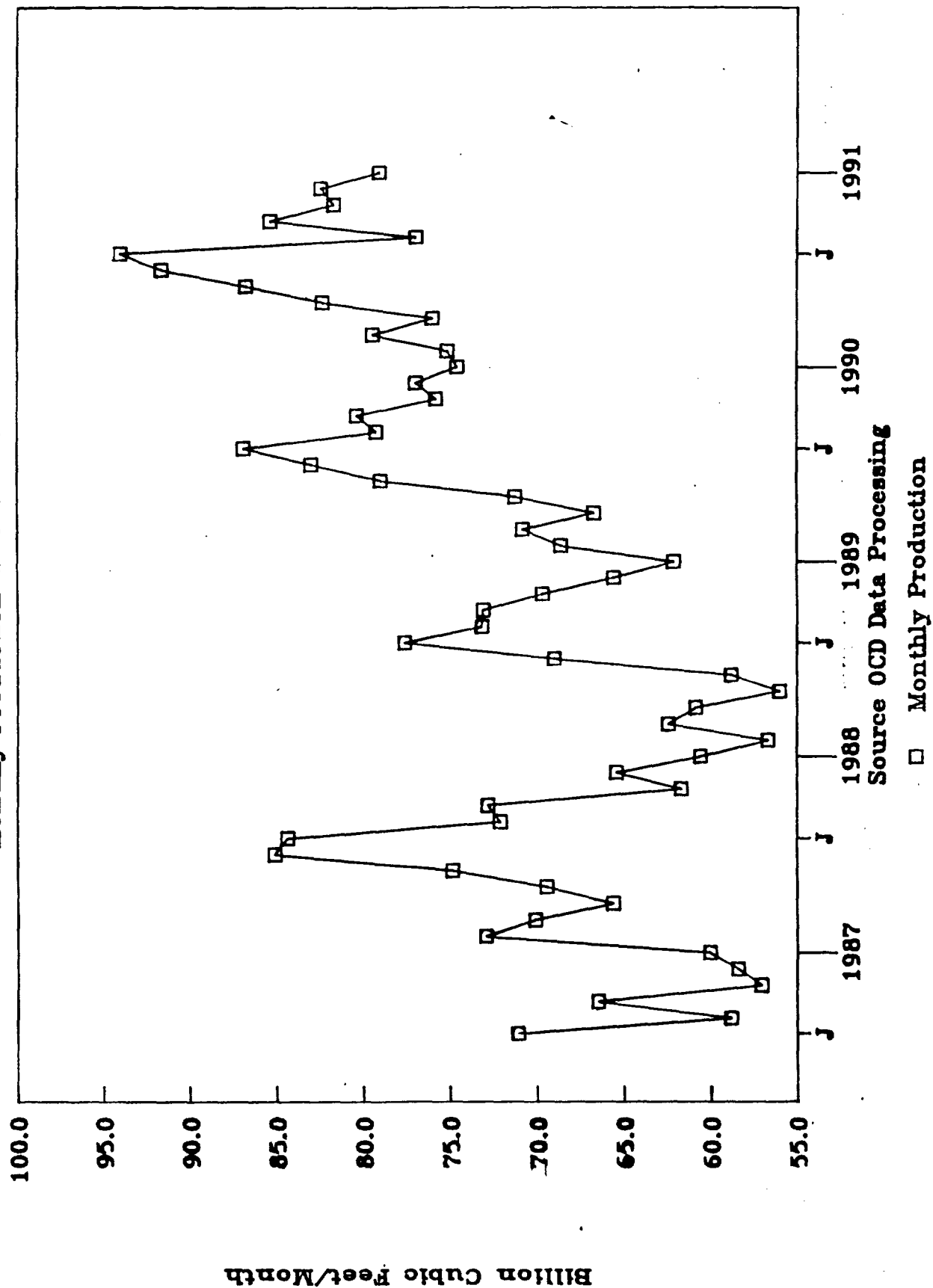
(1988-1991)



□ 1988 - 781.17 Bcf + 1989 - 860.84 Bcf ◇ 1990 - 965.35 Bcf
 Δ 1991 YTD 499.61 Bcf

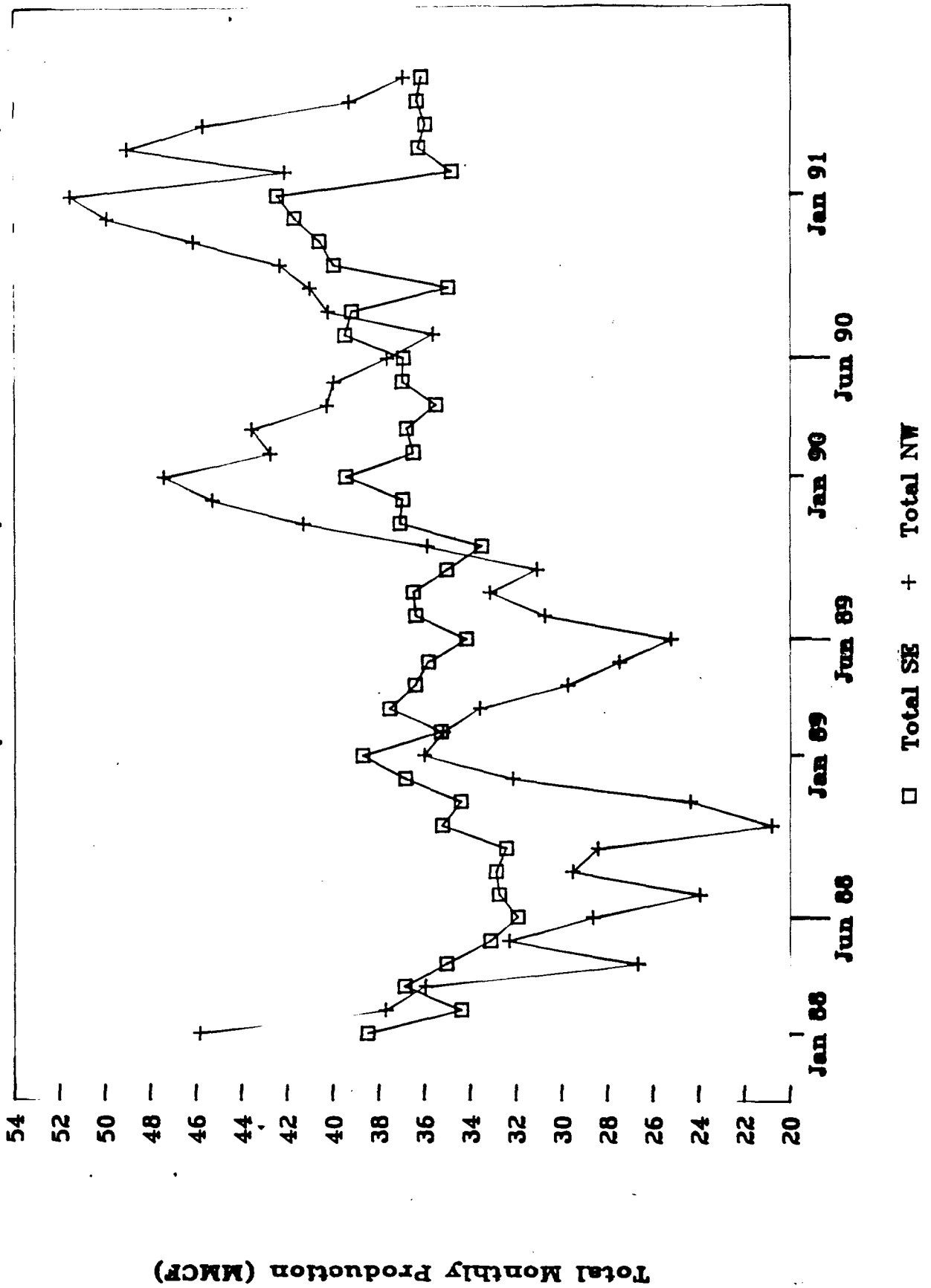
BILLION CUBIC FEET

Monthly Production 1/1987 - 6/1991



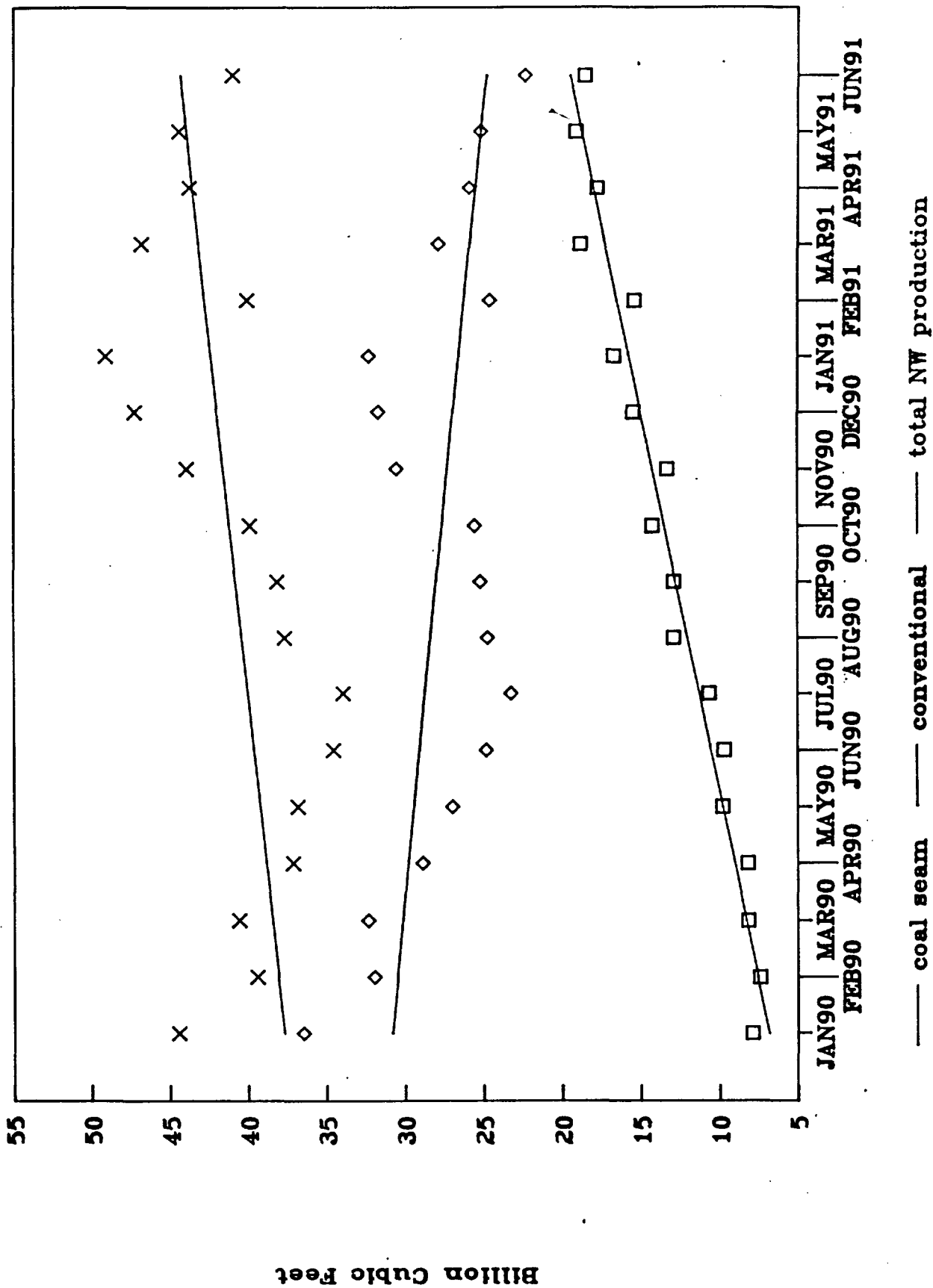
Production Comparison of 8 Counties

NW Quadrant vs. SE Quadrant

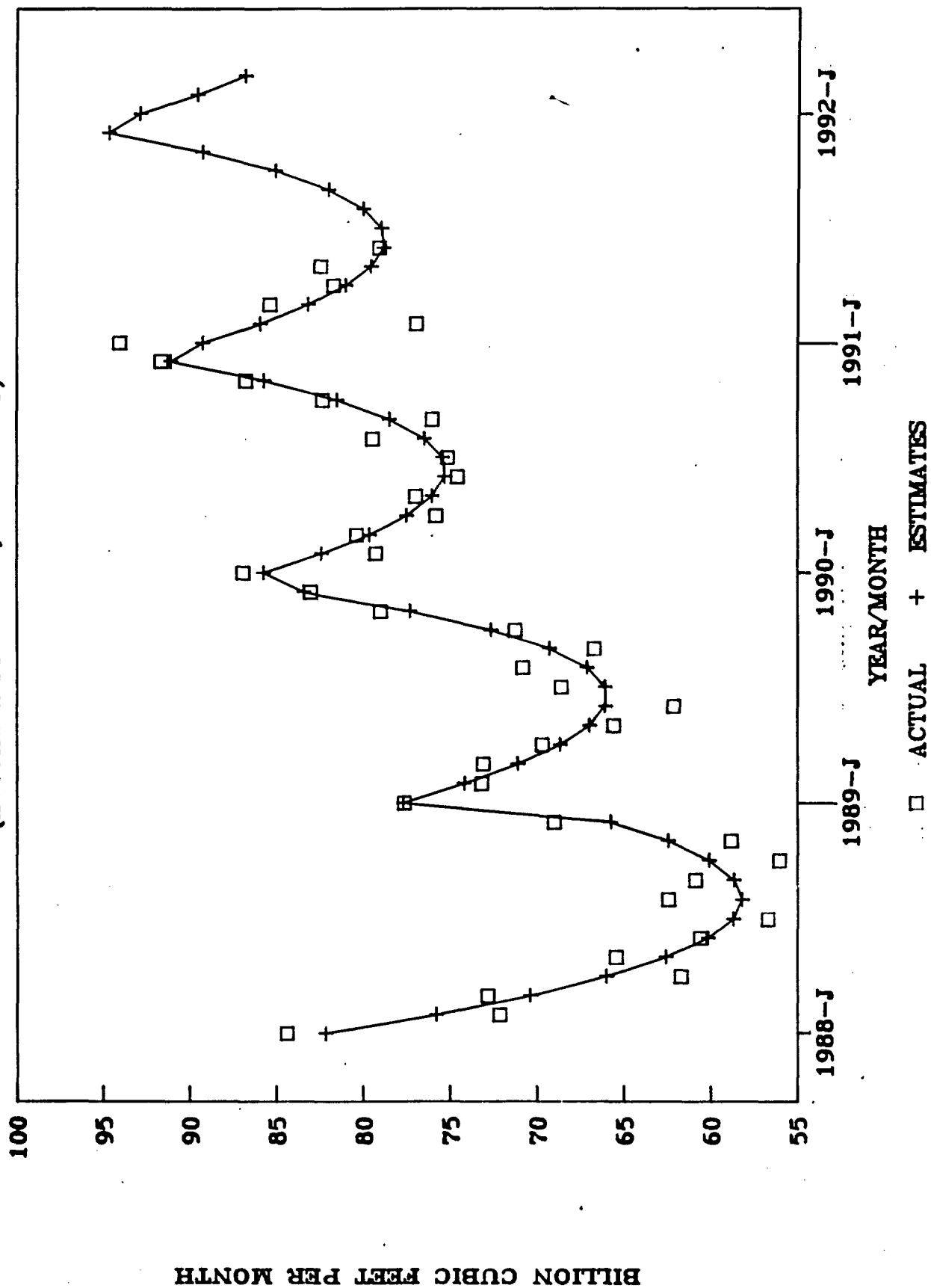


TRENDS: NM NATURAL GAS PRODUCTION

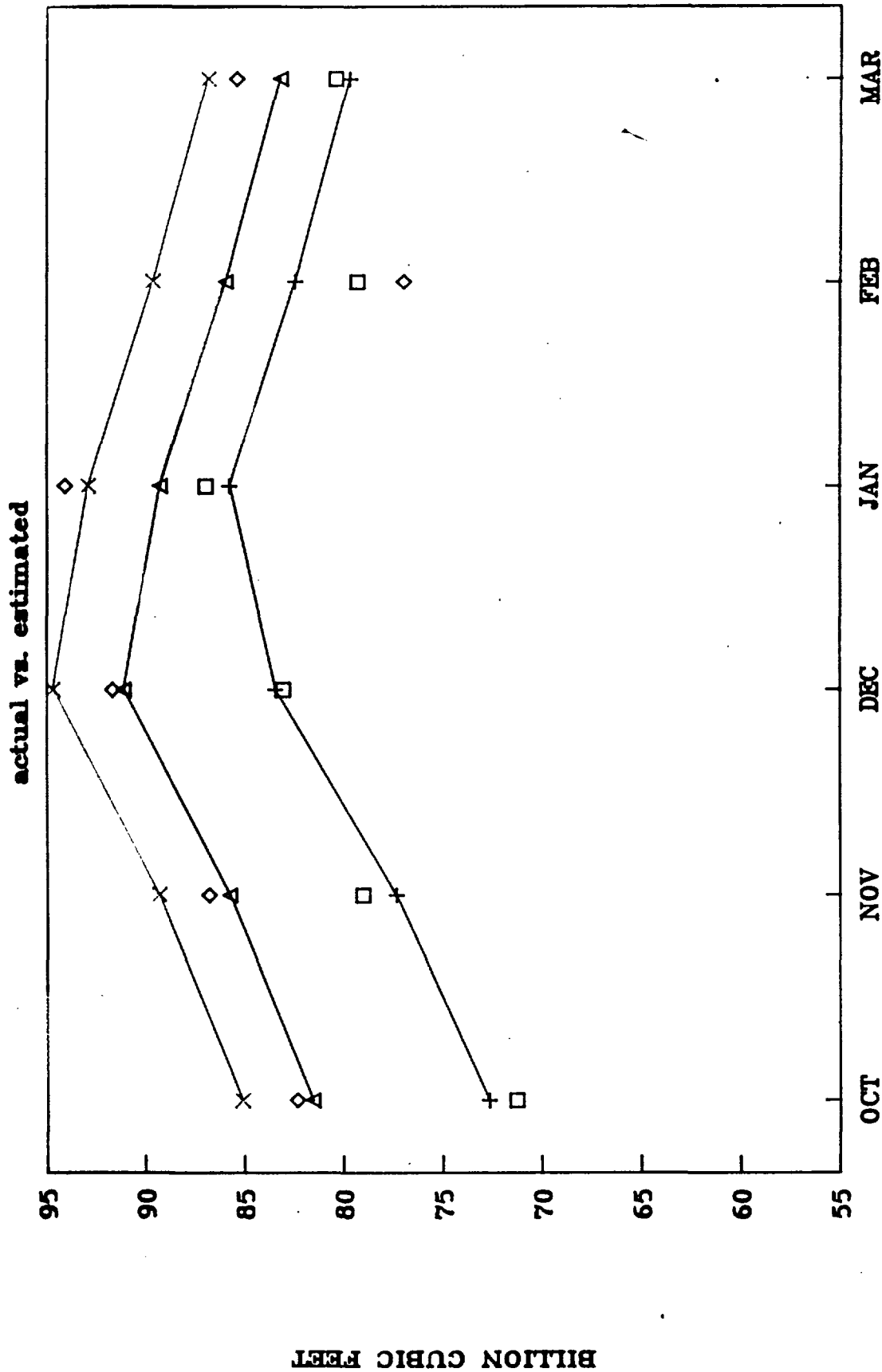
Tot. Northwest, Conventional, Coal Seam



(ACTUAL & PROJECTED, 1988-1992)



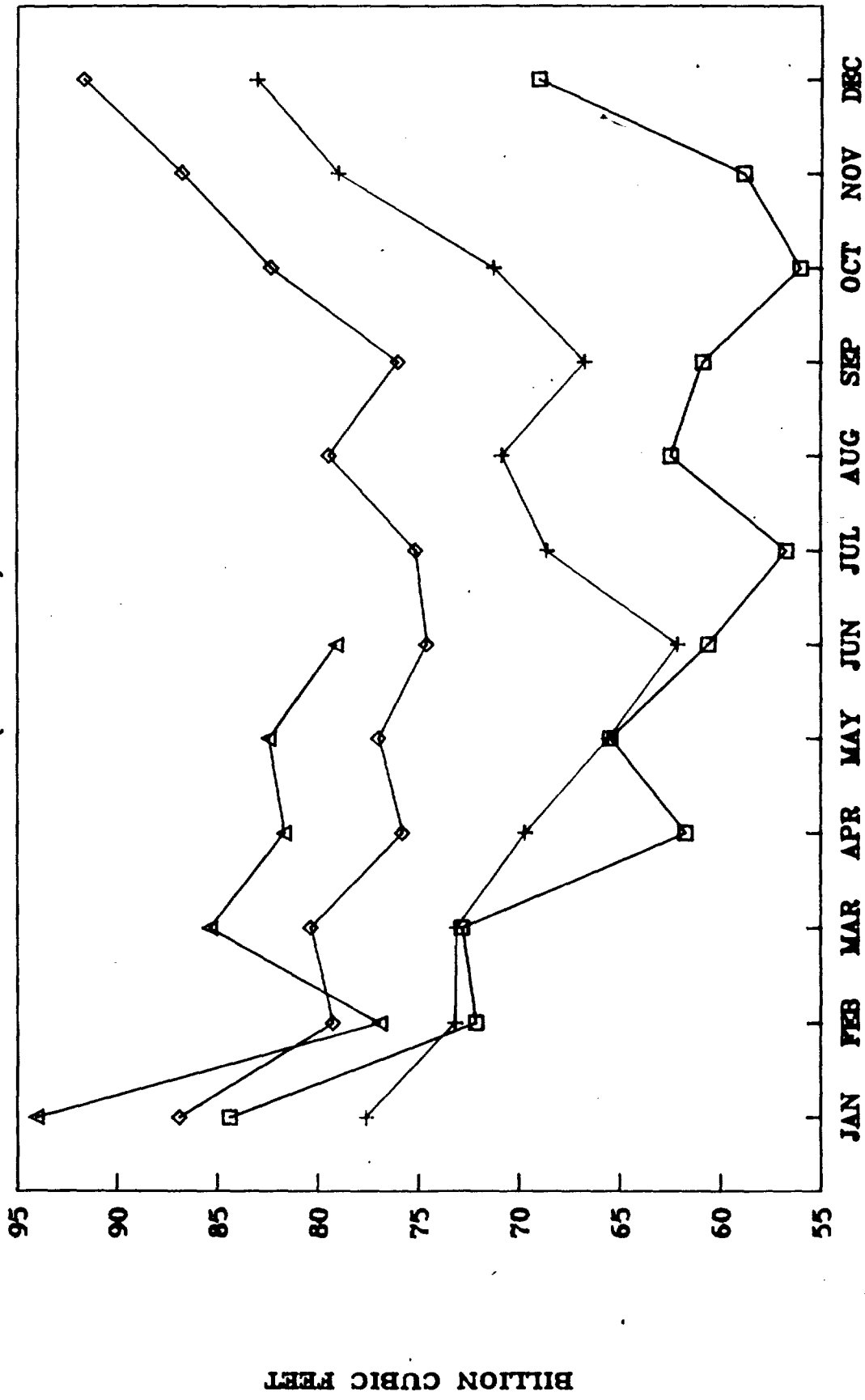
6-MONTH PRORATION PERIOD GAS PRODUCTION



□ actual 89-90 + Est. 89-90 ◇ actual 90-91 × Est. 90-91
 X ESTIMATE 91-92

NEW MEXICO NATURAL GAS PRODUCTION

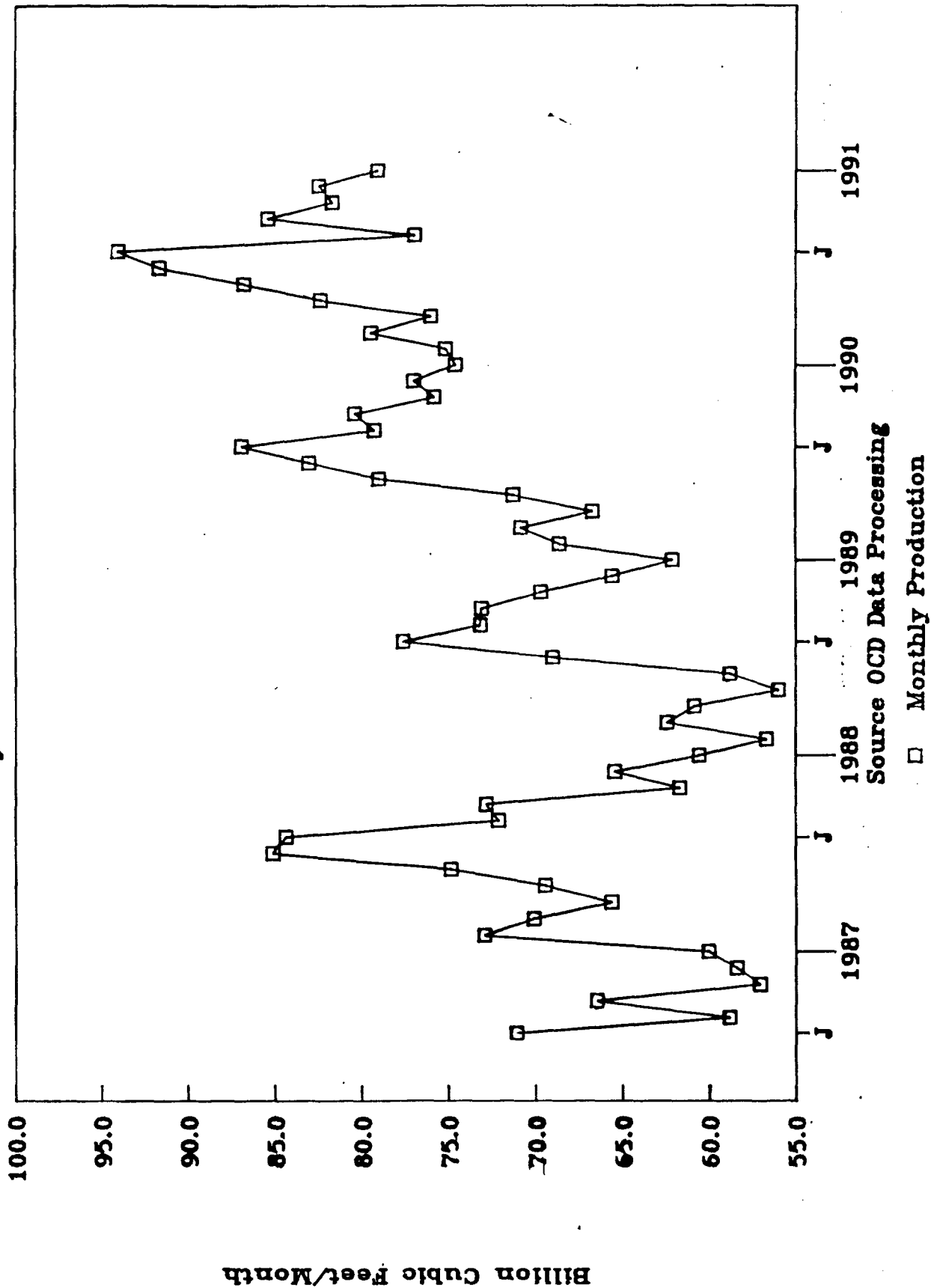
(1988-1991)



□ 1988 - 781.17 Bcf + 1989 - 860.84 Bcf ◇ 1990 - 965.35 Bcf
 Δ 1991 YTD 499.61 Bcf

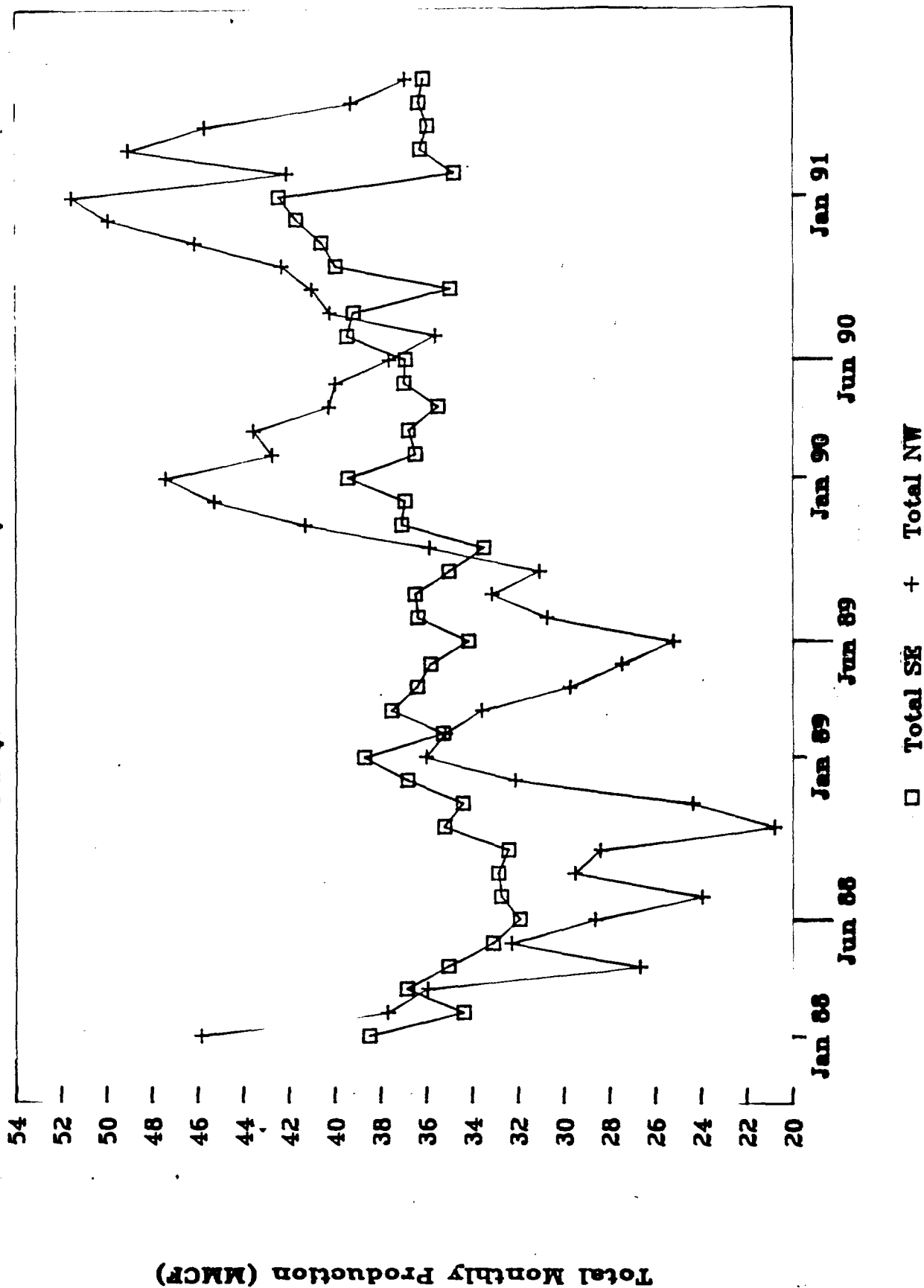
New Mexico Natural Gas Production

Monthly Production 1/1987 - 6/1991



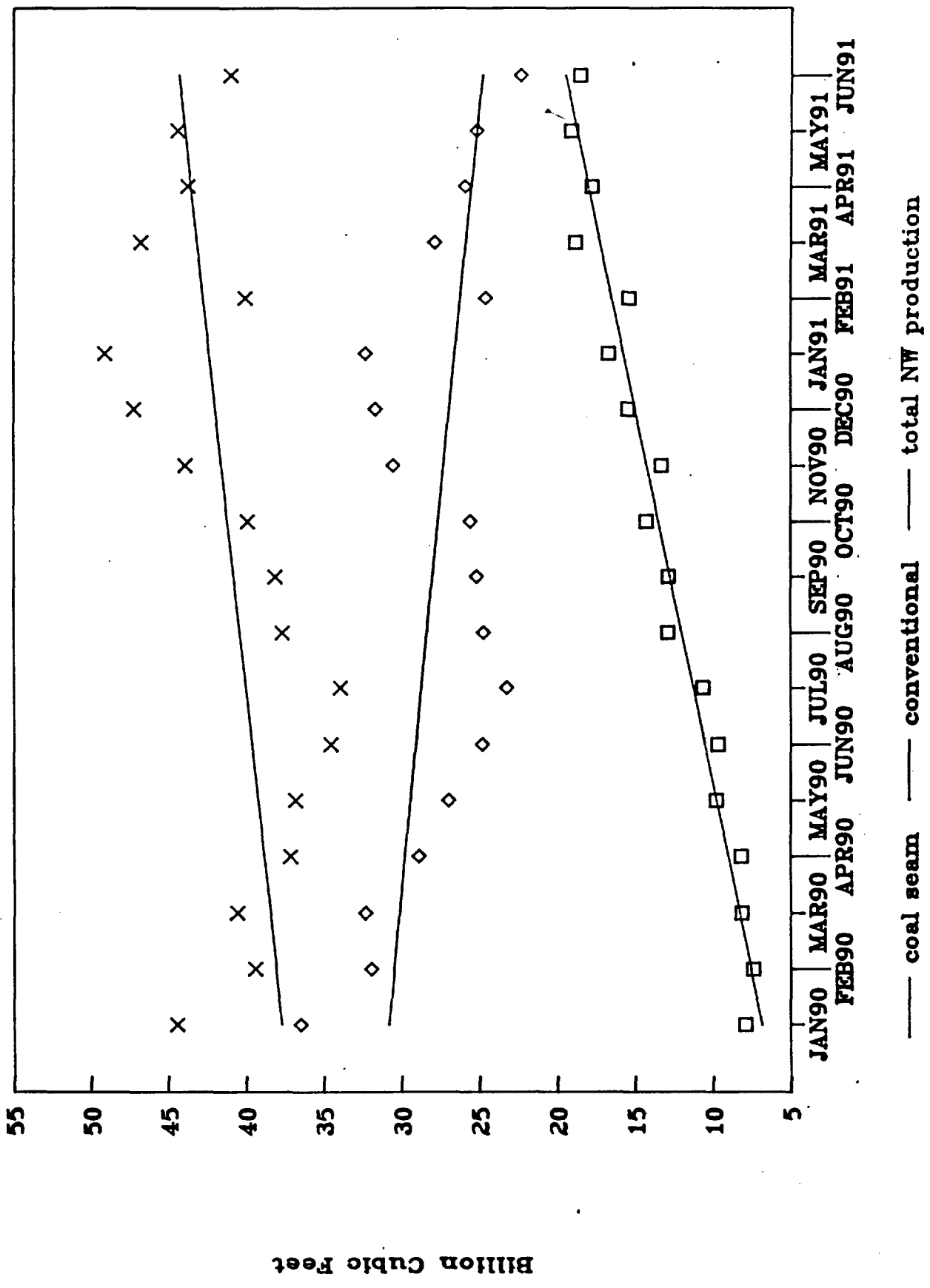
Production Comparison of 8 Counties

NW Quadrant vs. SE Quadrant



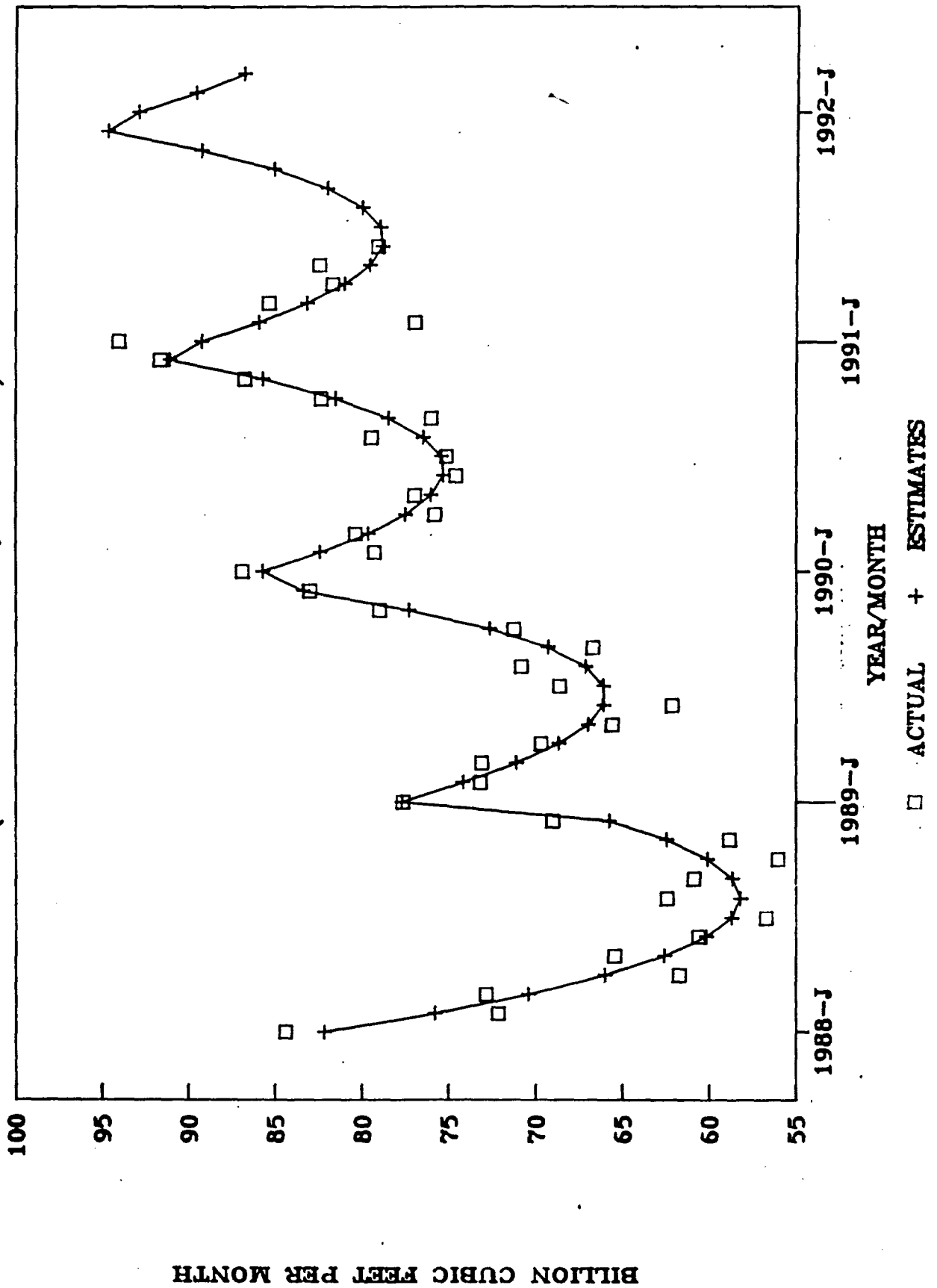
TRENDS: NM NATURAL GAS PRODUCTION

Tot. Northwest, Conventional, Coal Seam

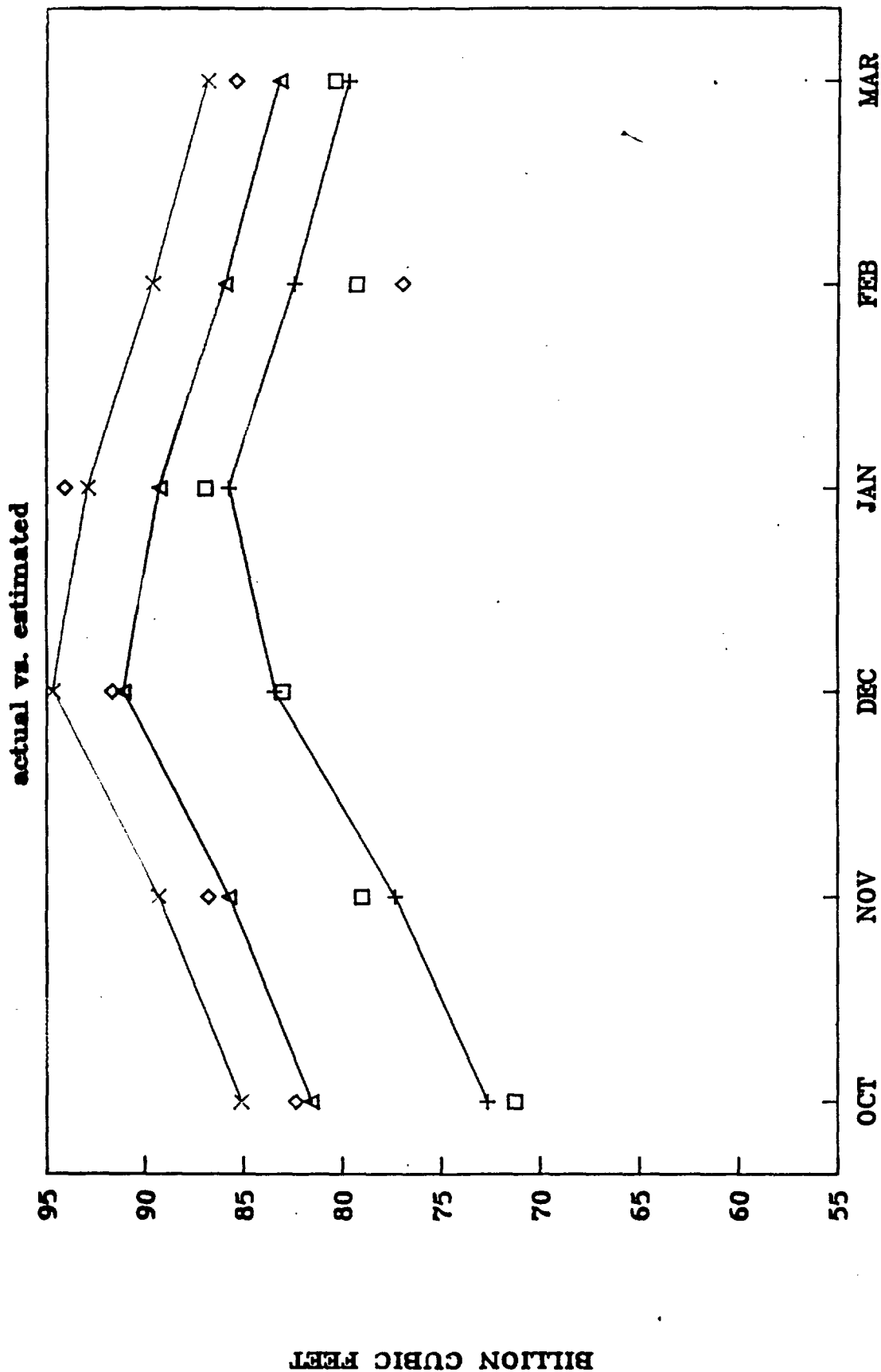


NEW MEXICO NATURAL GAS PRODUCTION

(ACTUAL & PROJECTED, 1988-1992)



6-MONTH PRORATION PERIOD GAS PRODUCTION



□ actual 89-90 + Est. 89-90 ◇ actual 90-91 △ Est. 90-91
 X ESTIMATE 91-92

Chevron Activity Eumont Gas Pool

	1989 Average	1990 Average	As of October 1991	Change Over 1990	% Change
Number of wells	78	80	98	18	18.37
Production MCF/D	11,545	13,297	21,225	*7,928	37.35

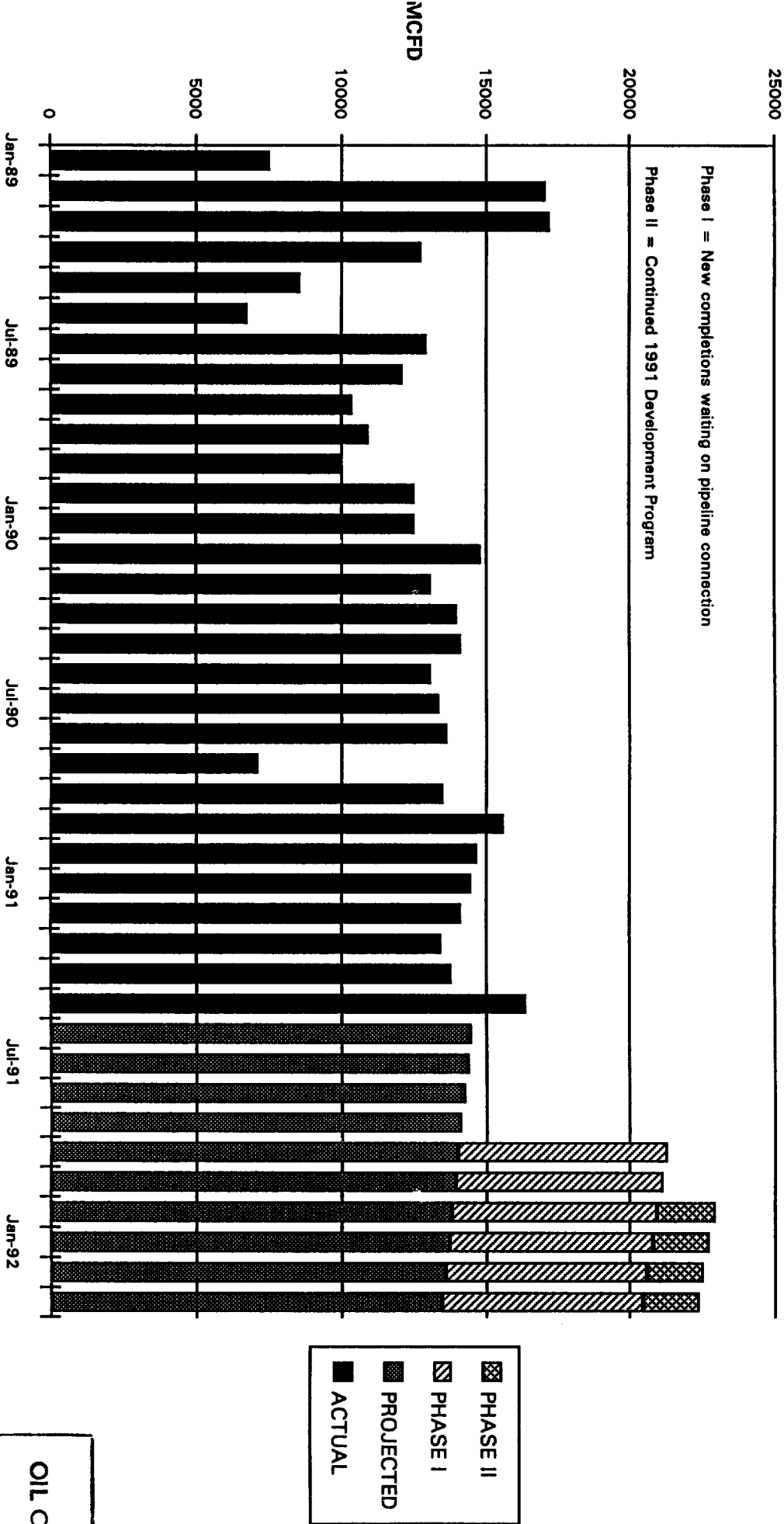
* Equates to an average of 440 MCF/D per new completion, with initial production ranging from 150 to 1,200 MCF/D respectively.

*Chevron Exhibits 1 through 3
Complete set*

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10,317 Exhibit No. 1
Submitted by Chevron USA
Hearing Date Aug 29, 1991

CHEVRON OPERATED EUMONT GAS PRODUCTION



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 19377 Exhibit No. 2

Submitted by Chevron USA

Hearing Date Aug 29, 1991

CHEVRON'S POSITION SUMMARY

- * Chevron currently produces 23% of the gas in the Eumont field, and 3% of the gas in the Jalmat field (OCD 5/91).
- * We strongly support the current minimum allowables and six month proration periods in the Eumont and Jalmat fields. These measures establish a reliable basis from which Chevron can plan further development.
- * Our recent drilling and workover activity in the two fields substantiates the need for minimum allowables to prevent waste and effectively drain our acreage.
- * Natural gas liquid content, lower pipeline pressures and high measurement standards yield additional economic support to offset the overall lower natural gas prices.
- * The above allow for increased supply reliability which results in enhanced gas marketing, flexible transportation contracts, and enable continuous flow during both allowable periods.
- * In summary, we continue to support the 600 MCFPD allowables in the Eumont and Jalmat fields. Our actions prove that we have responded very positively to the increased allowables and will continue to do so.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10,377 Exhibit No. 3
Submitted by Chevron USA
Hearing Date Aug 29, 1991

STATE OF NEW MEXICO

Oil Conservation Division

*August 29, 1991 Hearing
for
Prorated Gas Allowables For
October 1991 - March 1992*

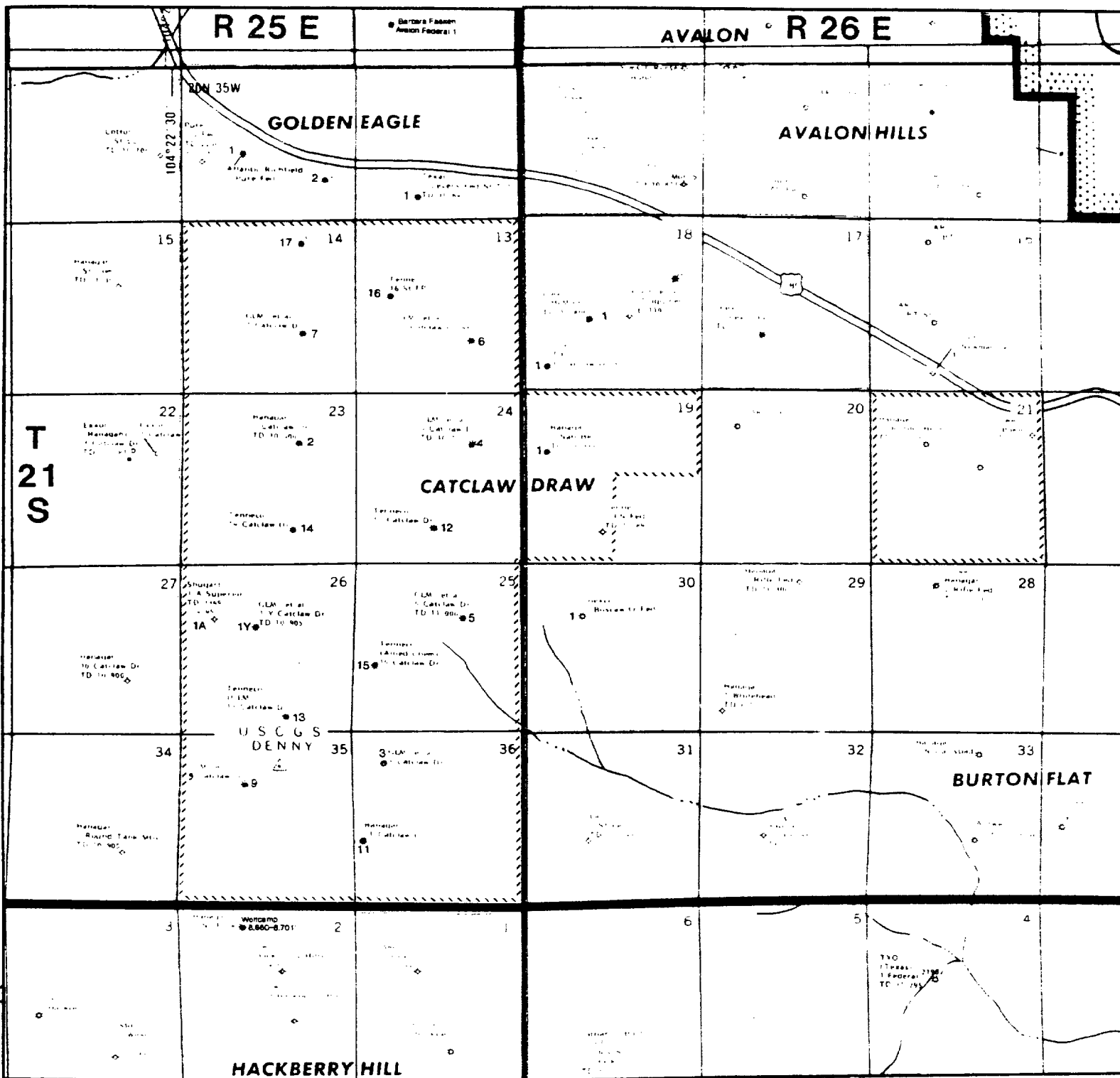
Summary Comments and Exhibits

By

Hallwood Petroleum, Inc.

*Hallwood Exhibit 1
Complete Set*

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>10377</u>	Exhibit No. <u>1</u>
Submitted by <u>Hallwood</u>	
Hearing Date <u>8/29/91</u>	



HALLWOOD PETROLEUM, INC.			
Revisions			
No.	By	Date	Description
1			
2			
3			
4			
5			

**CAT CLAW DRAW
FIELD
EDDY COUNTY, N.M.**

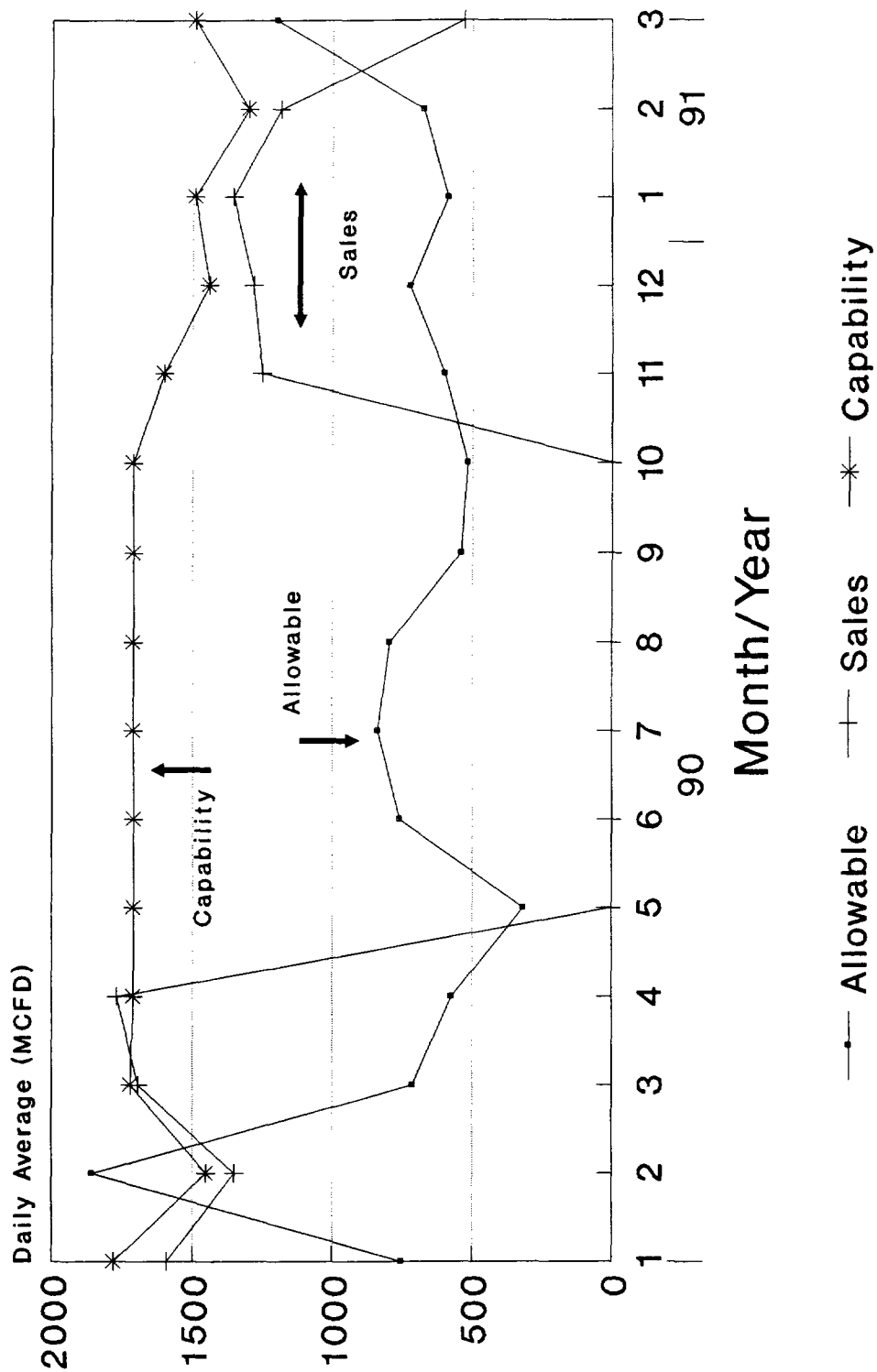
Drawn by: AE Date: 12/20/00 Rev: 2/87

CATCLAW DRAW UNIT #1Y AND #13
Proration Unit
Catclaw Draw (Morrow) Field

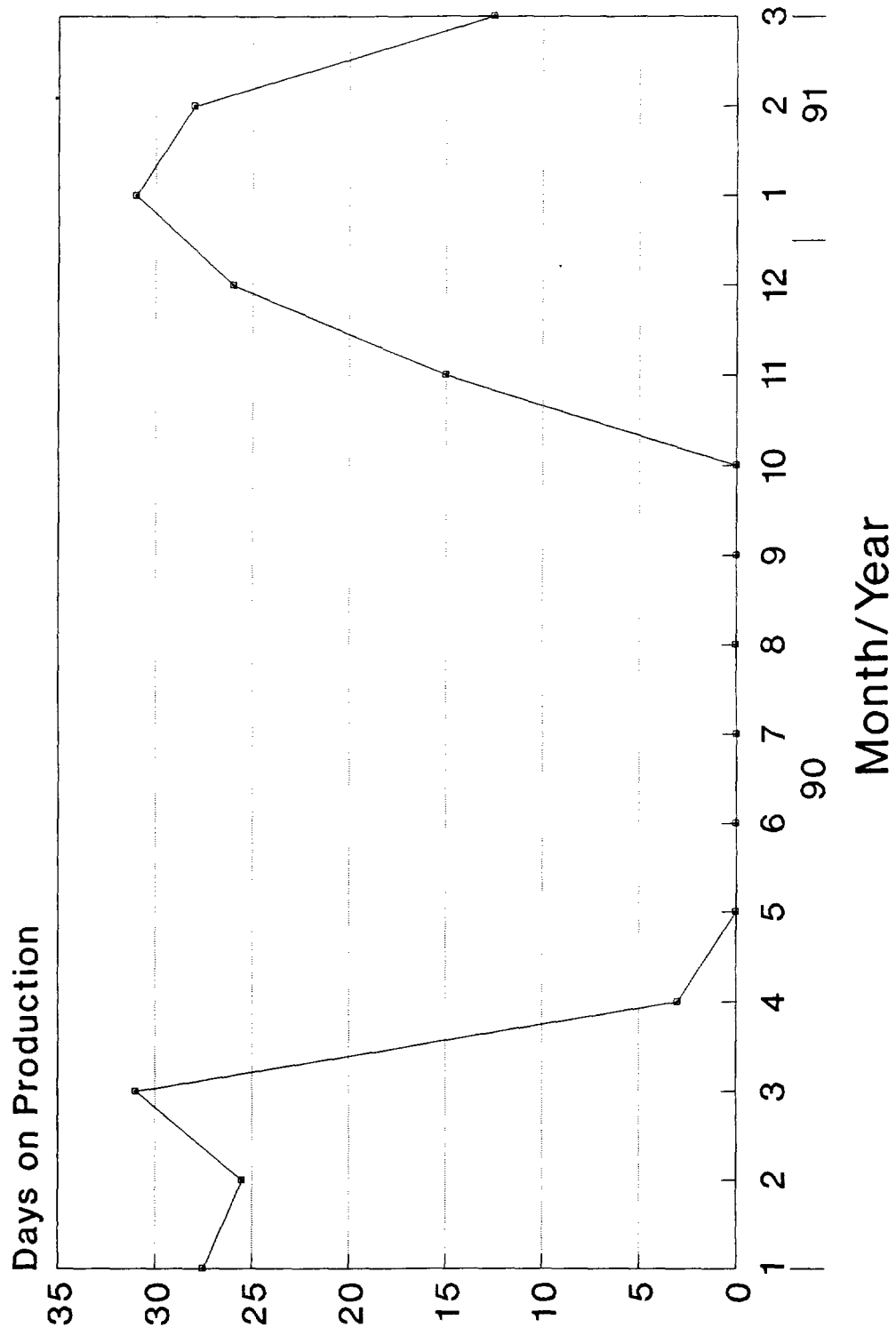
- This proration unit is currently a non-marginal unit.
- Hallwood has been shutting this unit in (or curtailing production) during summer to build allowable.
- During the 15-month period January 1990-March 1991, this proration unit was produced only 44% of the time (200 days out of 455 days).
- Despite this restricted production level this proration unit is still 300,014 MCF overproduced as of 3/31/91.
- Hallwood has withheld this gas from the market, for allowable/overproduction reasons, even when we had the opportunity to sell the gas.
- This proration unit is a good example highlighting the need to raise non-marginal unit allowables, as average assigned allowable (January '90 - March '91) has only been 44.3% (764 MCFD) of this proration unit's capability of 1616 MCFD.

CDU #1Y and #13 - Daily Averages

Allowable, Sales, Capability



CDU #1Y and #13 - Days on Production 1/90 through 3/91

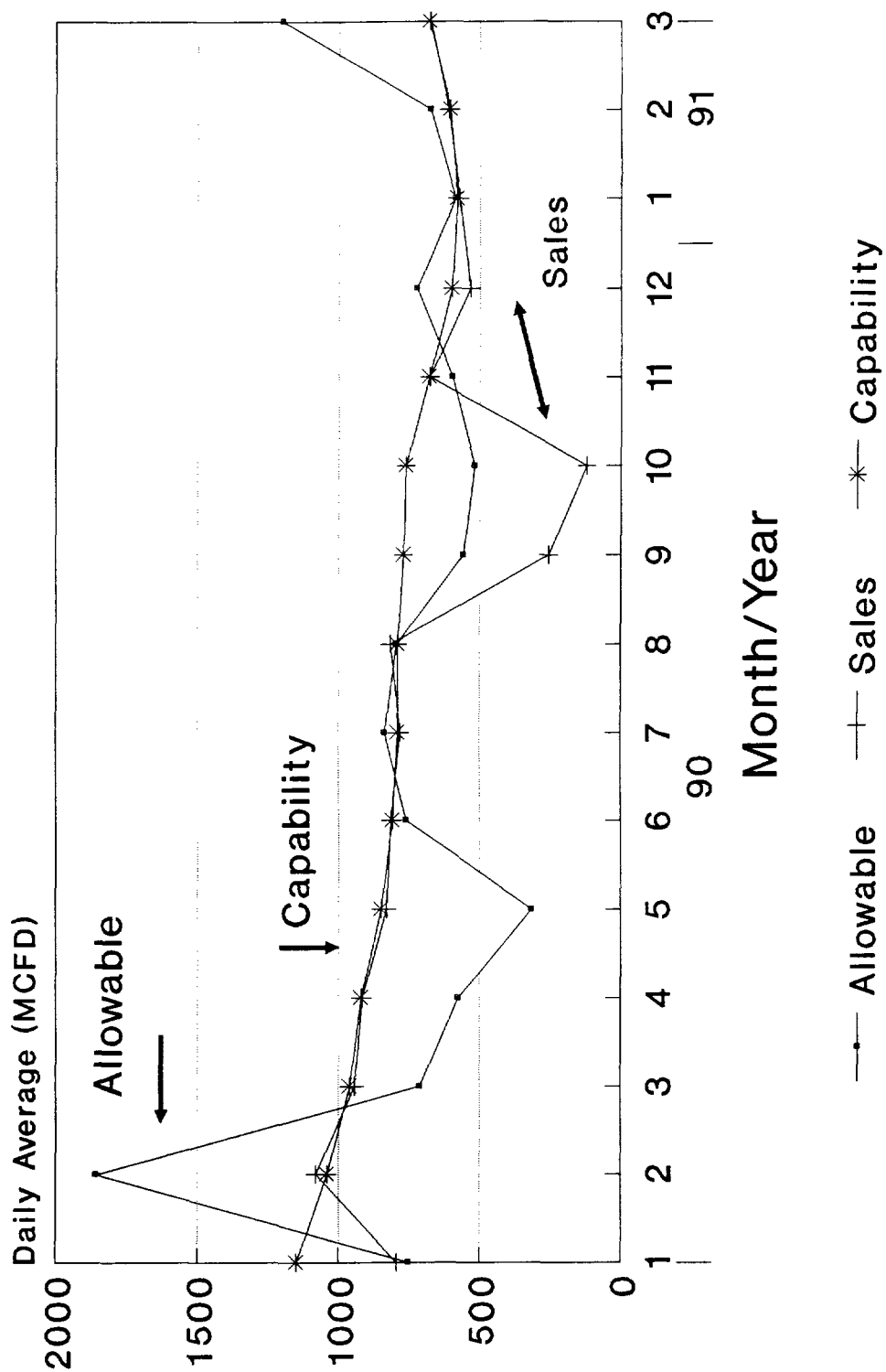


CATCLAW DRAW UNIT #2 AND #14
Proration Unit
Catclaw Draw (Morrow) Field

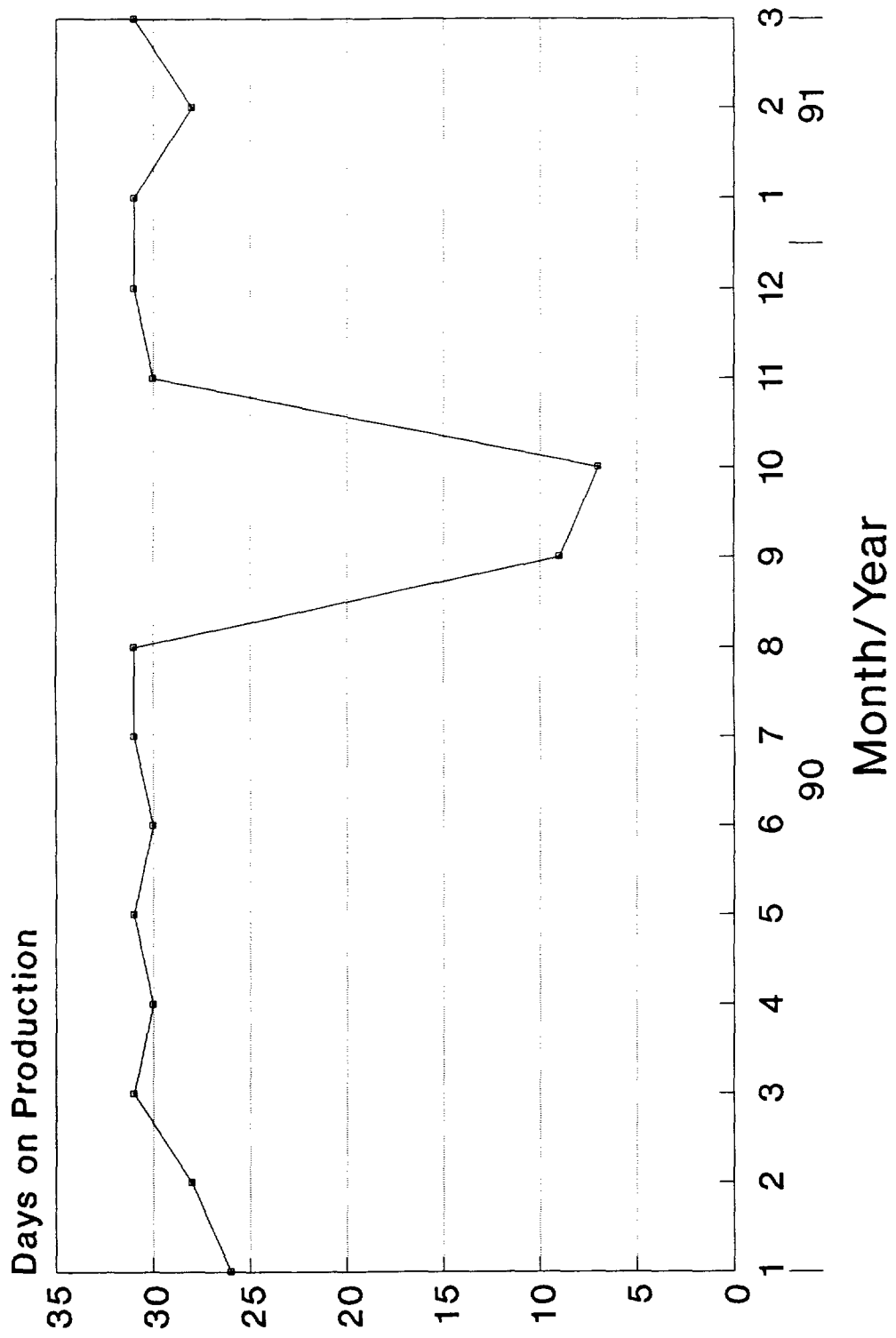
- This proration unit is a non-marginal unit but should be reclassified as marginal, as the unit has not produced its allowable in 8 consecutive months (since November 1990).
- This proration unit has been able to produce 89% of the time recently (January '90 - March '91) or 405 days out of 455 days.
- This unit is currently underproduced 31,544 MCF as of 7/31/91.
- Proration of this non-marginal unit has been working adequately, primarily due to the fact that production has been declining and average assigned allowable (January '90 - March '91) has been 96% (764 MCFD) of the unit's capability of 799 MCFD.
- This example helps illustrate that, if non-marginal allowables were increased, proration units such as this one would become reclassified as marginal and allowed to continue producing at essentially the same rates.

CDU #14 & #2

Allowable, Sales, Capability



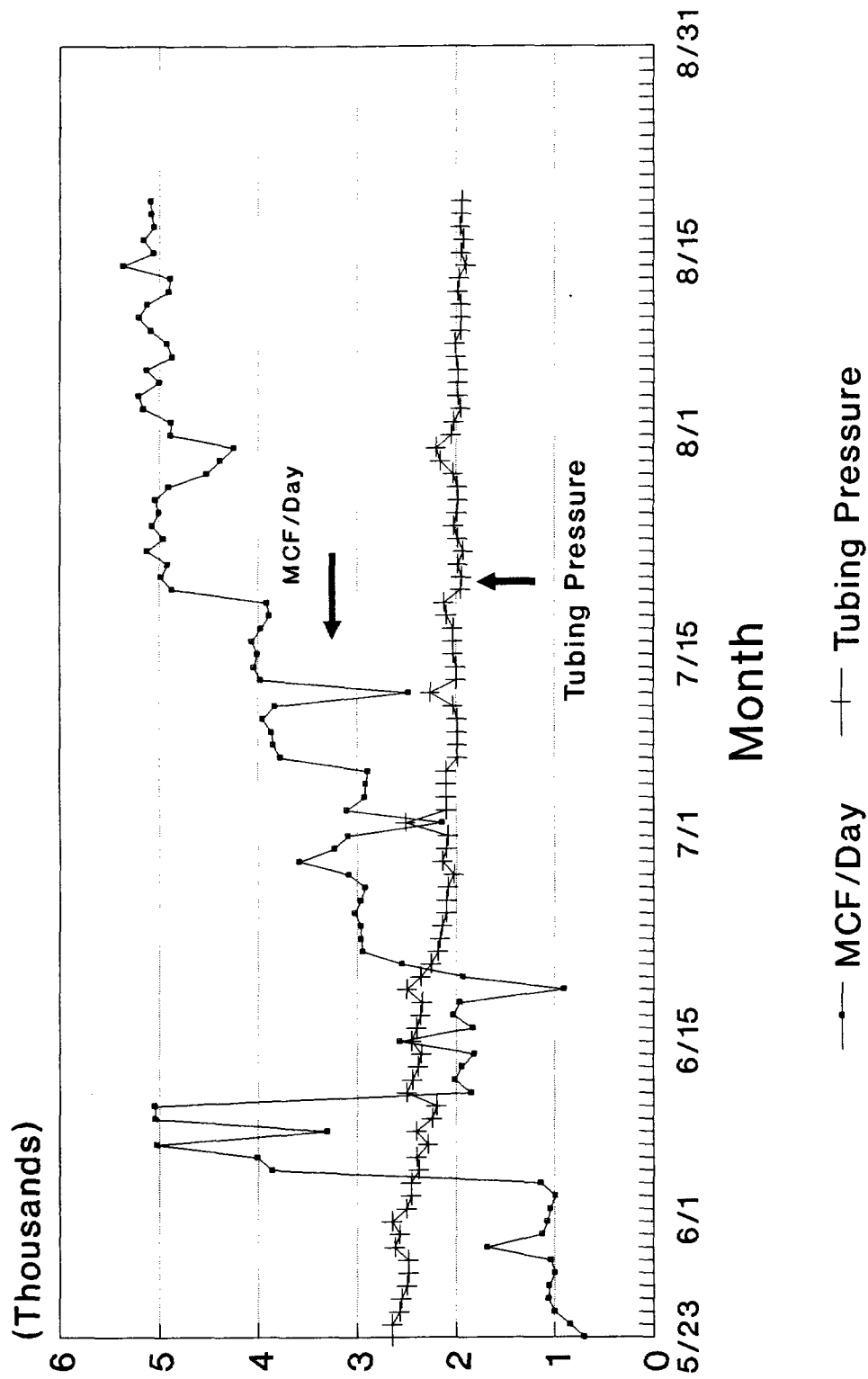
CDU #14 & #2 - Days on Production 1/90 through 3/91



CATCLAW DRAW UNIT #9
Proration Unit
Catclaw Draw (Morrow) Field

- This one-well proration unit was classified as marginal, but will most likely be reclassified as non-marginal.
- Hallwood recompleted the well in May 1991. Four zones in the Morrow "A" and "B" were perforated (73' net). The well has produced at rates up to 5800 MCFD and has a calculated AOF (absolute open flow) of 17,658 MCFD.
- C-104 form was filed on July 30, 1991.
- Post recompletion production (since May 22, 1991) has been approximately 342,000 MCF. Current production is averaging 5100 MCFD at 1950# FTP.
- This proration unit has demonstrated capability (and supporting gas sales) that is over 8 times the current top allowable for a standard 640-acre GPU (gas proration unit).
- This proration unit illustrates the need to raise the pool allowable to a level such that non-marginal units can be produced at rates commensurate with their capability.

CDU #9-Post Recompletion Production Catclaw Draw (Morrow) Field



CATCLAW DRAW (MORROW) FIELD
Recent Monthly Pool Sales Volumes

	<u>Period</u>	<u>MCF/Mo.</u>	<u>MCFD</u>
(1)	Oct. 1990 - Dec. 1990 (From proration schedule)	158,408	5210
(2)	Oct. 1990 - March 1991 (From Victor Lyon)	184,712	6076
(3)	January 1991	194,381	6394
(4)	Average of 2 and 3 equals expected "winter monthly sales"	189,546	6235

CATCLAW DRAW (MORROW) FIELD

Marginal Well Production Estimate

<u>Operator</u>	<u># Proration Units</u>	<u># Wells</u>	<u>MCF/Month</u>
Barbara Fasken	2	2	7,800
Hondo	1	2	22,000
Texaco	1	1	<u>20,500</u>
		Subtotal	50,300 MCF/mo
*Hallwood	6	11	152,882
			=====
		Total	203,182 MCF/mo

*Includes all but 2 proration units (3 wells) consisting of the Catclaw #1Y and #13 unit and Catclaw #9 unit.

CATCLAW DRAW (MORROW) FIELD
Allowable Determination
With 2 Non-Marginal Proration Units

	<u>MCF/Month</u>
(1) Average monthly pool sales, 10/90 - 3/91	189,546
(2) Total nominations	410,000 (Hallwood)
(3) Adjustments <i>Not confirmed by production data</i>	268,736 (Catclaw #9, #16, #17 - anticipated production)
(4) Monthly pool allowable, 10/91 - 3/92	458,282
(5) Monthly marginal pool allowable, 10/91 - 3/92	203,182
(6) Monthly non-marginal pool allowable, 10/91 - 3/92	255,100
(7) Number of non-marginal acreage factors	2.00 (Catclaw #9 P.U., Catclaw #1Y & #13 P.U.)
(8) Monthly acreage allocation factor, 10/91 - 3/92	127,550
(9) Average daily rate	4196 MCFD

*Original Bldg (40,000#)
 1.17 days -
 completed -
 comp 40 days -
 3 recompleting since May (completed in 8-10 hrs/day)
 25 days at 800 bbl/day
 2000 bbl/day*

GAS COMPANY OF NEW MEXICO**DATE:** 8/28/91**PHONE NUMBER:** 303-850-6530**TO:** Michael Gregory**CITY:** Denver**FROM:** A. Lindsey McMurray
Gas Contract Representative.**LOCATION CODE:** 0628.**TOTAL NUMBER OF PAGES INCLUDING COVER LETTER** 1.

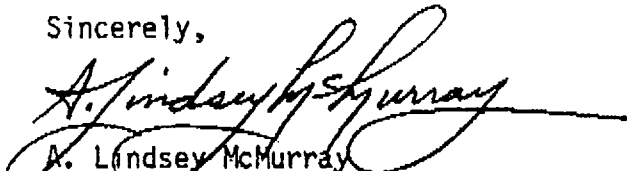
**IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL SWITCHBOARD OPERATOR
AT (505) 880-7900. OUR TELECOPIER NUMBER IS (505) 880-7280.**

ACTION REQUESTED:**INFORMATION ITEM ONLY** x**RESPONSE REQUESTED** **SPECIAL INSTRUCTIONS: -**

Under Gas Purchase Agreement #22205 dated November 1, 1988, and upon the mutual agreement of terms for amendment to such Agreement by E.M. Nominee and Gas Company of New Mexico (GCNM), GCNM is willing to purchase up to the total 15,000 MMBtu per day for the 1991-1992 winter season.

Pursuant to such amendment to the Agreement, GCNM would also pursue extension of the Agreement to July 1, 1994.

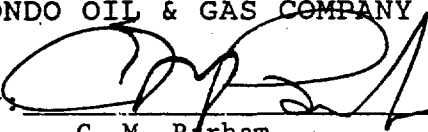
Sincerely,



A. Lindsey McMurray
Gas Contract Representative

As representative for the undersigned company, we support allowables for the Catclaw Draw Morrow Field being based on the nominations as set forth on Form C-121-A (attached) as filed by Hallwood Petroleum, Inc. with the New Mexico OCD on August 16, 1991.

HONDO OIL & GAS COMPANY

By: 

C. M. Parham

Title: Vice President

Date: 8/19/91

RECEIVED
AUG 23 1991
WESTERN REGION

RECEIVED

AUG 26 1991

WESTERN REGION

As representative for the undersigned company, we support allowables for the Catclaw Draw Morrow Field being based on the nominations as set forth on Form C-121-A (attached) as filed by Hallwood Petroleum, Inc. with the New Mexico OCD on August 16, 1991.

FASKEN OIL & RANCH INTERESTS (BARBARA FASKEN)

By: James F. Broce
Title: Manager Engineering/Operations
Date: 8/21/91

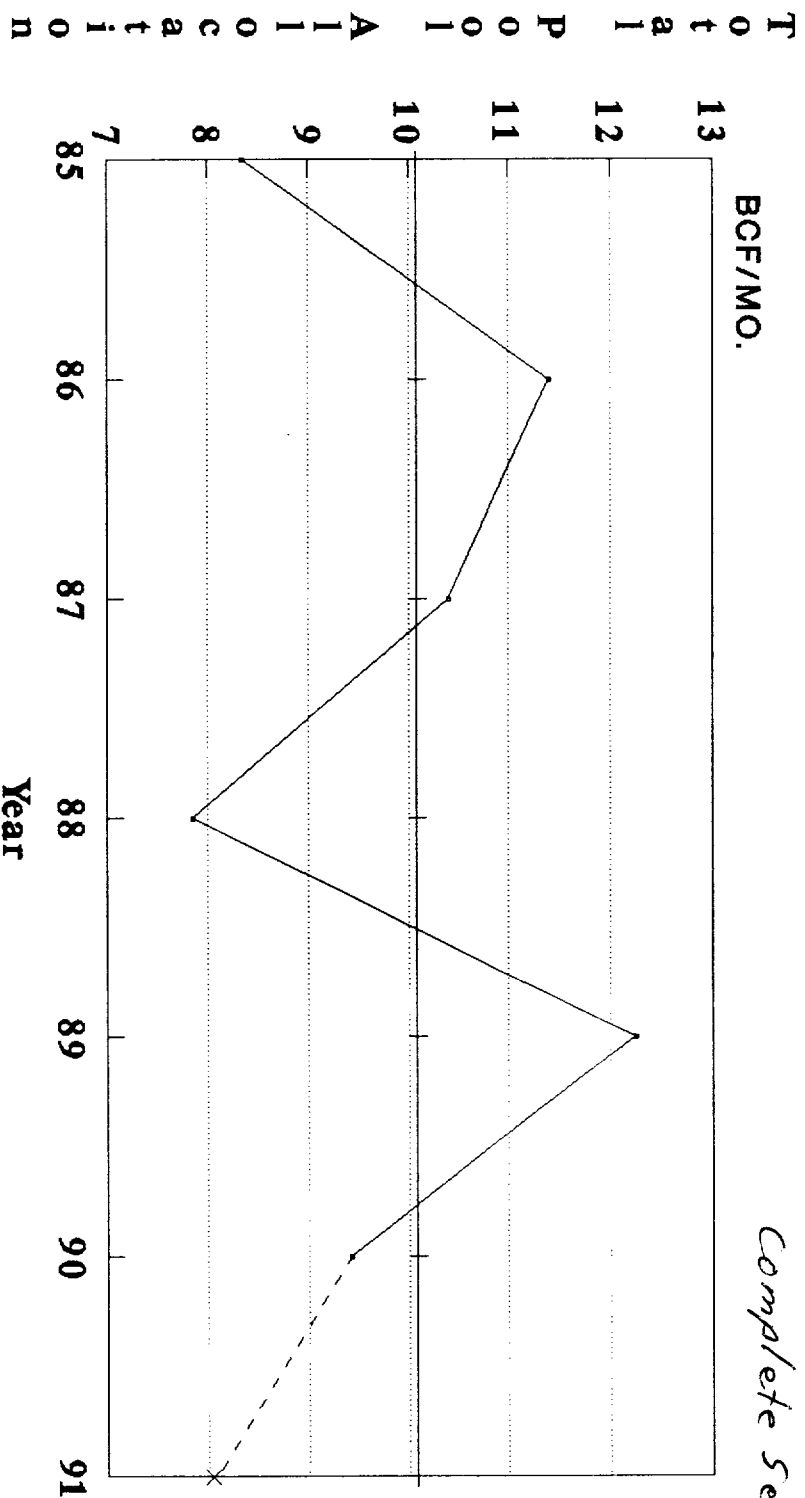
As representative for the undersigned company, we support allowables for the Catclaw Draw Morrow Field being based on the nominations as set forth on Form C-121-A (attached) as filed by Hallwood Petroleum, Inc. with the New Mexico OCD on August 16, 1991.

Exploration and Production Inc.,
TEXACO ~~PRODUCING COMPANY~~

By: JA Head
Title: Area Manager
Date: 8/28/91

SAN JUAN BASIN BASIN DAKOTA

*Unocal Exhibits 1 through
Complete Set 3*



— Oct-Mar — 6 Year Avg ×

OCD Preliminary ~~Before~~ THE

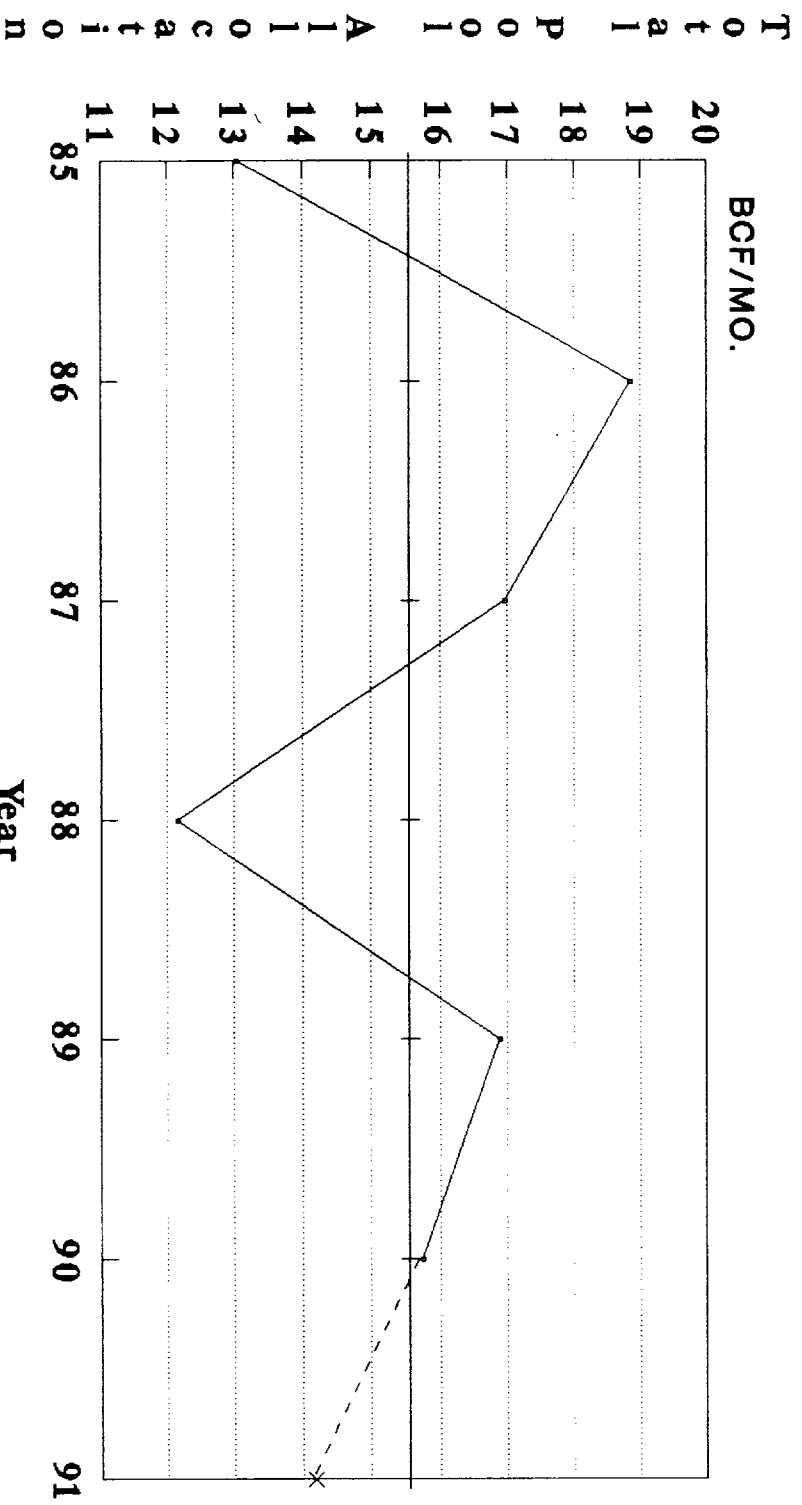
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10377 Exhibit No. 1

Submitted by Unocal

Hearing Date 8-29-91

SAN JUAN BASIN BLANCO MESA VERDE



Oct-Mar 6 Year Avg ×

OCD Preliminary Before the

OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10377 Exhibit No. 2

Submitted by Unocal

Hearing Date 8-29-91

SAN JUAN BASIN

SIX-MONTH ALLOCATIONS

(WINTER PERIOD: OCTOBER-MARCH)

EXAMPLE CALCULATIONS

WITH ASSUMED DELIVERABILITIES
(MCFD)

	<u>BASIN DAKOTA</u>	<u>BLANCO MESA VERDE</u>	<u>BLANCO PICTURE CLIFFS</u>
EXAMPLE D	300	400	150
'89-'90	230	264	97
'90-'91	265	330	131
EST. '91-'92	246	272	111

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10377 Exhibit No. 3

Submitted by UNOCAL

Hearing Date 8-29-91

ENGP216T--ENGP216-01
RUN-TIME: 15:33:47

REVISED PRELIMINARY ALLOWABLE ESTIMATES
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - SOUTHEAST NEW MEXICO
FOR OCT 91 THRU MAR 92

RUN-DATE 08/16/91

(1) AVERAGE MONTHLY 113,401 416,669 216,667 436,754 237,631 146,818 2,218,783 196,828 3,229,032 884,356 39,436 231,773
POOL SALES
OCT90-MAR91
ALL VOLUME ARE IN MCF.

(2) TOTAL
NOMINATIONS
AVG MONTH VOL.

(3) ADJUSTMENTS. 27,000 73,000 56,000 14,000 204,616 4,000 328,000 319,475 6,000 35,000
(4) MONTHLY POOL 140,401 487,669 216,667 436,754 293,631 160,818 2,423,399 200,828 3,557,032 1,203,831 45,436 266,773
ALLOWABLE
OCT91-MAR92
(LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL 32,121 157,145 118,757 183,645 213,958 92,288 1,385,423 75,247 2,542,064 801,231 14,064 154,974
POOL ALLOWABLE
OCT91-MAR92

(6) MONTHLY 108,280 330,524 95,910 253,109 79,673 68,530 1,037,976 125,581 1,014,968 402,600 31,372 111,799
NON-MARGINAL
POOL ALLOWABLES
OCT91-MAR92
LINE 4 - LINE 5

(7) NUMBER OF 3.42 10.75 2.00 6.88 3.97 2.00 56.72 .86 5.49 22.00 9.00 11.00
NON-MARGINAL
ACREAGE FACTORS
(8) MONTHLY ACREAGE 31,660 30,746 47,955 36,789 20,068 34,265 18,300 146,024 184,875 18,300 3,485 10,163
ALLOCATE FACTOR
OCT91-MAR92
(LN 6 / LN 7)

F1 FACTORS FOR OTHER POOLS
BURTON FLAT STRAHN F1 = 10,000
MONUMENT MCKEE ELLEN F1 = 25,000

Ex 1
Will be changed same

ENGP216T--ENGP216-01
RUN-TIME: 15:33:47

REVISED PRELIMINARY ALLOWABLE ESTIMATES
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - NORTHWEST NEW MEXICO
FOR OCT 91 THRU MAR 92

RUN-DATE 08/16/91

BASIN BLANCO BLANCO TAPACITO
DAKOTA MESA VERDE P.C. SOUTH

(1) AVERAGE MONTHLY 8,033,542 13,999,619 1,185,220 204,195
POOL SALES
OCT90-MAR91
ALL VOLUME ARE IN MCF.

(2) TOTAL
NOMINATIONS
AVG MONTH VOL.

(3) ADJUSTMENTS. 46,000

(4) MONTHLY POOL 8,033,542 14,045,619 1,185,220 204,195
ALLOWABLE
OCT91-MAR92
(LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL 4,180,677 6,597,257 515,312 81,601
POOL ALLOWABLE
OCT91-MAR92

(6) MONTHLY 3,852,865 7,448,362 669,908 122,394
NON-MARGINAL
POOL ALLOWABLES
OCT91-MAR92
LINE 4 - LINE 5

(7) NUMBER OF 433.65 599.93 456.61 91.74
NON-MARGINAL
ACREAGE FACTORS

(8) NUMBER OF 206,913 442,938 27,586 9,304
NON-MARGINAL
ACREAGE TIMES
DELIVERABILITY
FACTORS

(9) MONTHLY ACREAGE 5,330 3,103 366 333
ALLOCATE FACTOR
OCT91-MAR92

(10) MONTHLY ACREAGE 7.44 12.61 16.21 9.86
TIMES
DELIVERABILITY
ALLOCATE FACTOR
OCT91-MAR92

Ex 2 - will be same
changed

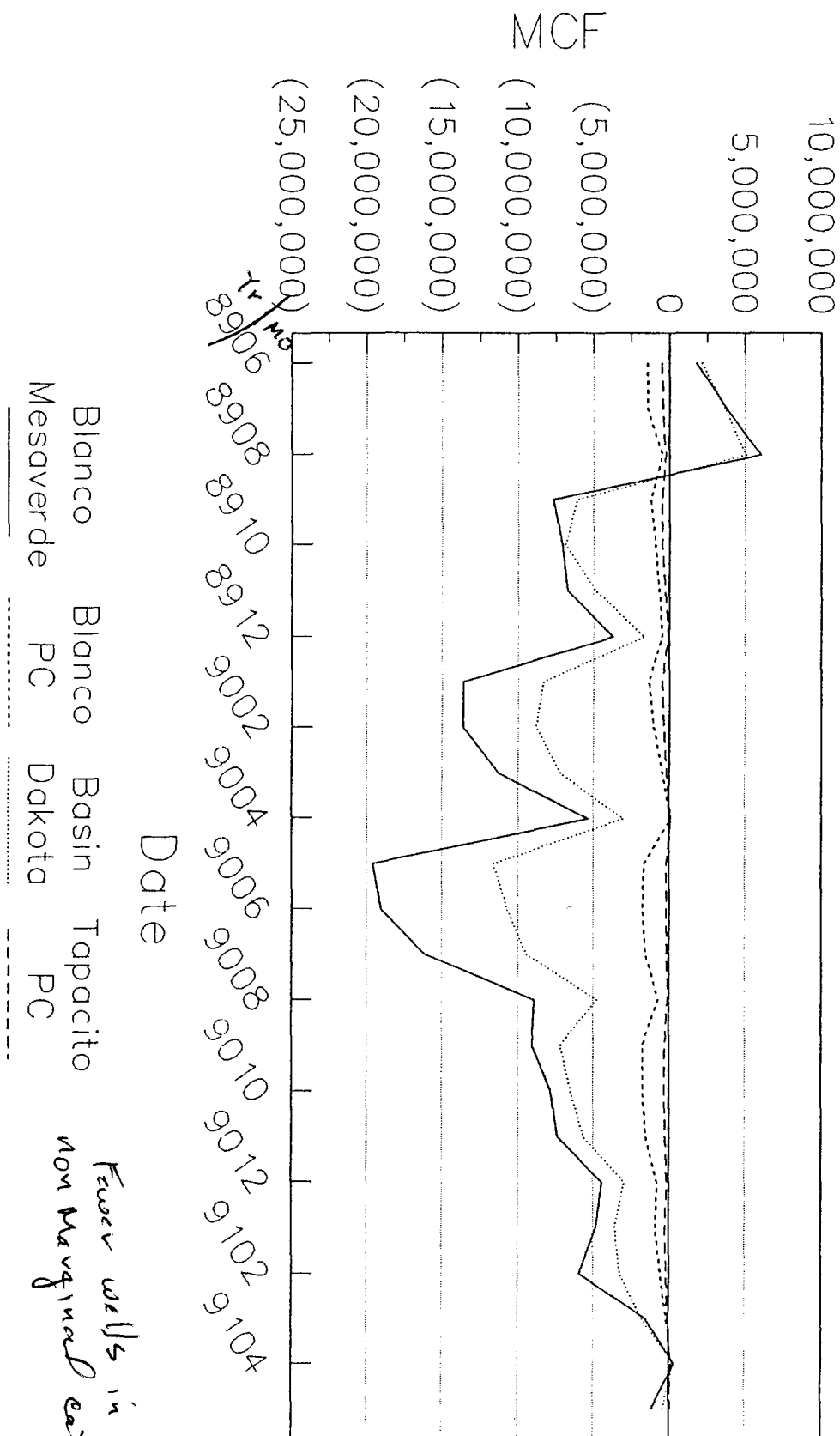
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UNCLASSIFIED CONFIDENTIAL - CONFIDENTIAL

Will
light
and

San Juan Basin Non-Marginal Pool Balance



Data is through last proration schedule

Fewer wells in non marginal category

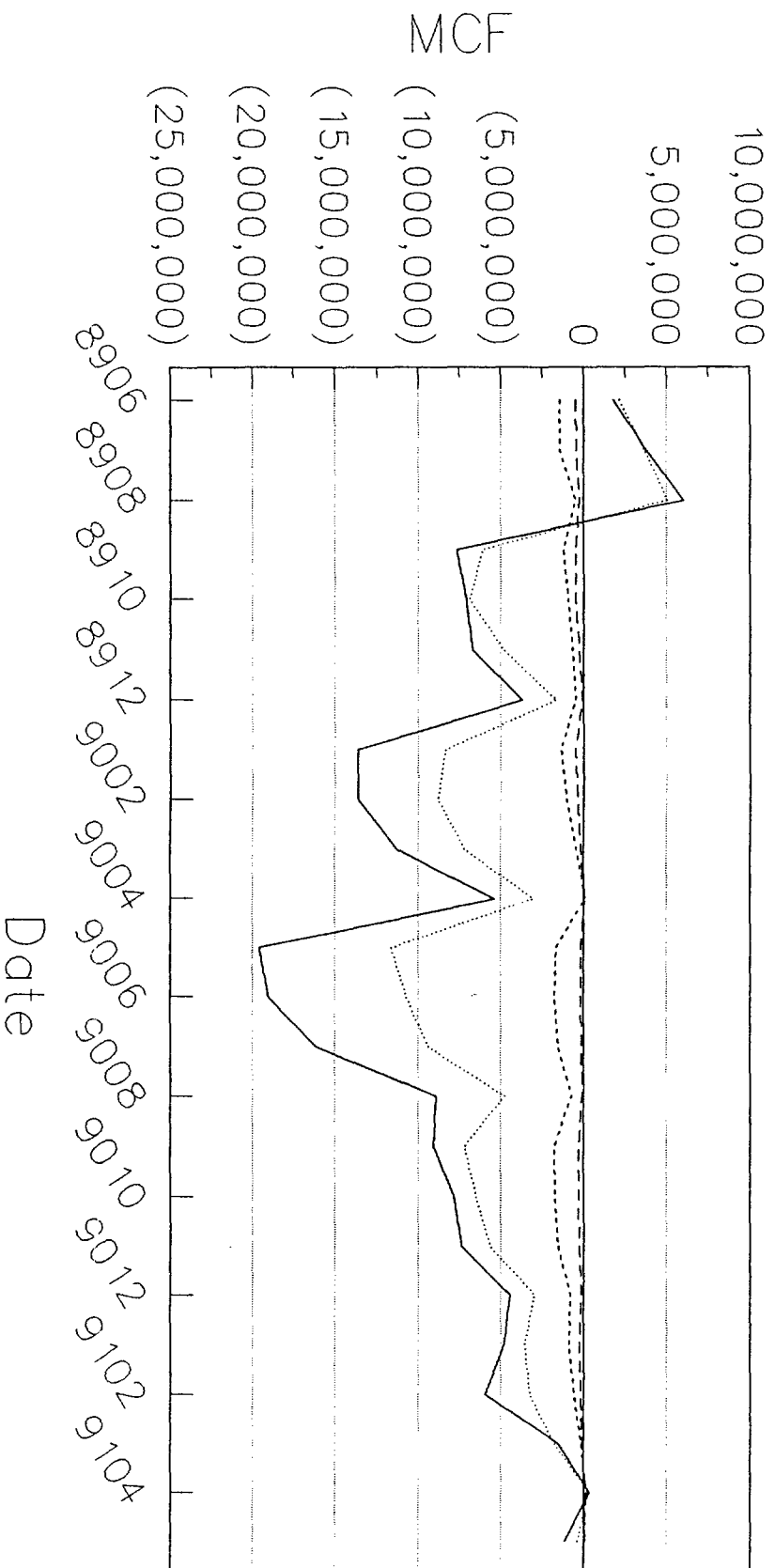
Small gas pools in to be added to Proration

Recommended Adjustments to Allowables
Prorated Gas Pools - Northwest New Mexico

	<u>Basin</u> <u>Dakota</u>	<u>Blanco</u> <u>Mesaverde</u>	<u>Blanco</u> <u>P.C. South</u>	<u>Tapacito</u>
(1) Non-Marginal Pool Balance as of 4/1/91, MCF	(389,773)	(1,134,931)	18,567	83,516
(2) Apr 91 - Sept 91 Monthly Allowable, MCF	8,552,554	13,546,300	1,242,564	234,518
(3) Apr 91 - May 91 Average Monthly Sales, MCF	6,359,286	13,862,223	991,596	177,580
(4) Diff [(2)-(3)]*2	4,386,536	(631,846)	501,936	113,876
(5) Non-Marginal Pool Balance as of 6/1/91, MCF	3,996,763	(1,766,777)	520,503	197,392
(6) Recommended Adjustment, MCF (5)/10/6	(66,613)	29,446	(8,675)	(3,290)

at 5/1/91

San Juan Basin Non-Marginal Pool Balance



Data is through last proration schedule

Recommended Adjustments to Allowables
Prorated Gas Pools - Northwest New Mexico

	<u>Basin Dakota</u>	<u>Blanco Mesaverde</u>	<u>Blanco P.C. South</u>	<u>Tapacito</u>
(1) Non-Marginal Pool Balance as of 4/1/91, MCF	(389,773)	(1,134,931)	18,567	83,516
(2) Apr 91 - Sept 91 Monthly Allowable, MCF	8,552,554	13,546,300	1,242,564	234,518
(3) Apr 91 - May 91 Average Monthly Sales, MCF	6,359,286	13,862,223	991,596	177,580
(4) Diff [(2)-(3)]*2	4,386,536	(631,846)	501,936	113,876
(5) Non-Marginal Pool Balance as of 6/1/91, MCF	3,996,763	(1,766,777)	520,503	197,392
(6) Recommended Adjustment, MCF (5)/10/6	(66,613)	29,446	(8,675)	(3,290)

Chevron Activity Eumont Gas Pool

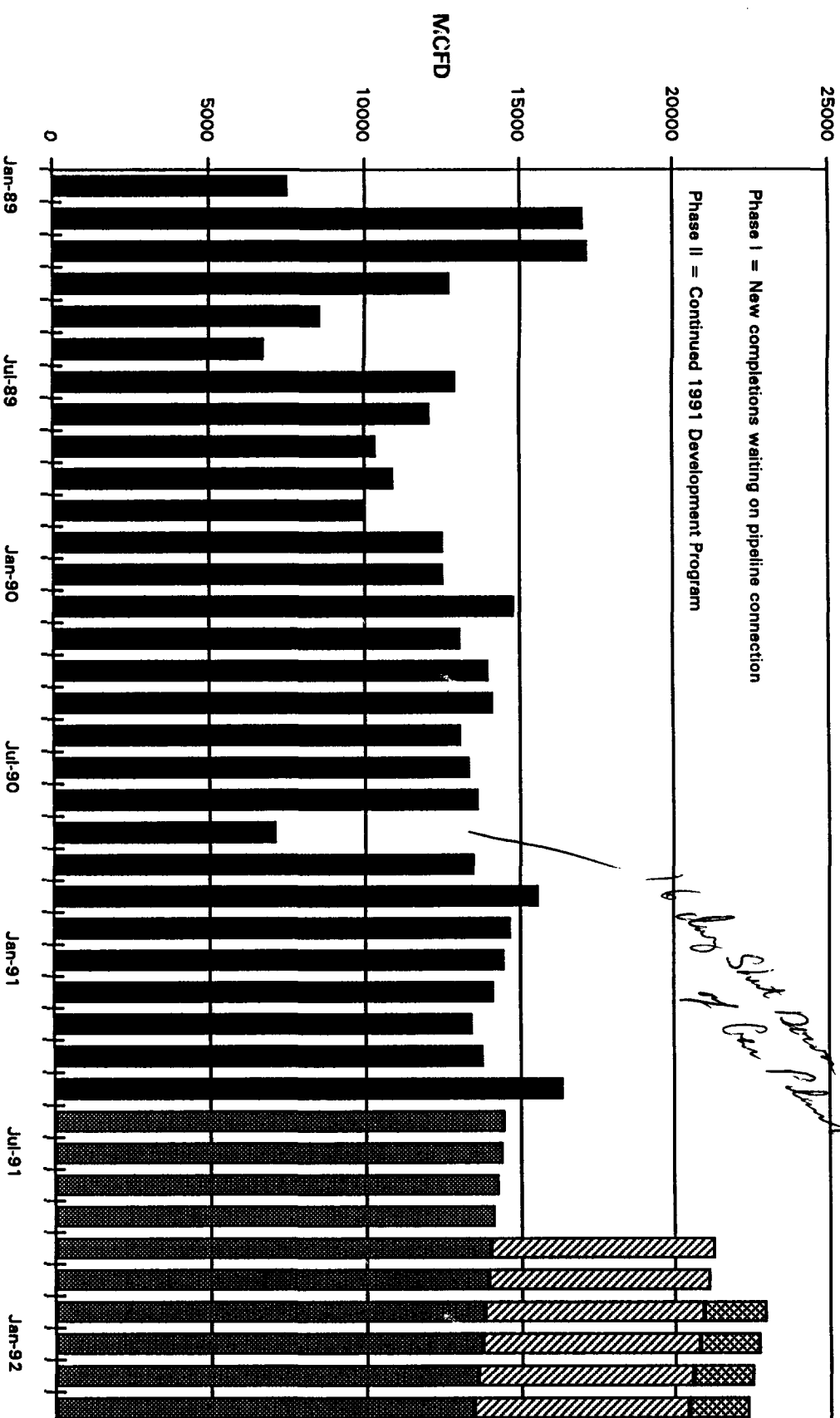
	1989 Average	1990 Average	As of October 1991	Change Over 1990	% Change
Number of wells	78	80	98	18	18.37
Production MCF/D	11,545	13,297	21,225	*7,928	37.35

* Equates to an average of 440 MCF/D per new completion, with initial production ranging from 150 to 1,200 MCF/D respectively.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10,377 Exhibit No. 1
Submitted by Chevron U.S.A.
Hearing Date August 29, 1991

CHEVRON OPERATED EUMONT GAS PRODUCTION



CHEVRON'S POSITION SUMMARY

- * Chevron currently produces 23% of the gas in the Eumont field, and 3% of the gas in the Jalmat field (OCD 5/91).
- * We strongly support the current minimum allowables and six month proration periods in the Eumont and Jalmat fields. These measures establish a reliable basis from which Chevron can plan further development.
- * Our recent drilling and workover activity in the two fields substantiates the need for minimum allowables to prevent waste and effectively drain our acreage.
- * Natural gas liquid content, lower pipeline pressures and high measurement standards yield additional economic support to offset the overall lower natural gas prices.
- * The above allow for increased supply reliability which results in enhanced gas marketing, flexible transportation contracts, and enable continuous flow during both allowable periods.
- * In summary, we continue to support the 600 MCFPD allowables in the Eumont and Jalmat fields. Our actions prove that we have responded very positively to the increased allowables and will continue to do so.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10,377 Exhibit No. 3
Submitted by Chevron U.S.A.
Hearing Date August 29, 1991

ENGP216T--ENGP216-01
RUN-TIME: 15:33:47

REVISED PRELIMINARY ALLOWABLE ESTIMATES
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - NORTHWEST NEW MEXICO
FOR OCT 91 THRU MAR 92

RUN-DATE 08/16/91

	BASIN	BLANCO	BLANCO	TAPACITO
	DAKOTA	MESA VERDE	P.C. SOUTH	
(1) AVERAGE MONTHLY POOL SALES OCT90-MAR91 ALL VOLUME ARE IN MCF.	8,033,542	13,999,619	1,185,220	204,195
(2) TOTAL NOMINATIONS AVG MONTH VOL.				
(3) ADJUSTMENTS.		46,000		
(4) MONTHLY POOL ALLOWABLE OCT91-MAR92 (LINE 1 + LINE 3.)	8,033,542	14,045,619	1,185,220	204,195
(5) MONTHLY MARGINAL POOL ALLOWABLE OCT91-MAR92	4,180,677	6,597,257	515,312	81,801
(6) MONTHLY NON-MARGINAL POOL ALLOWABLES OCT91-MAR92 LINE 4 - LINE 5	3,852,865	7,448,362	669,908	122,394
(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS	433.65	599.93	456.61	91.74
(8) NUMBER OF NON-MARGINAL ACREAGE TIMES DELIVERABILITY FACTORS	206,913	442,938	27,586	9,304
(9) MONTHLY ACREAGE ALLOCATE FACTOR OCT91-MAR92	5,330	3,103	366	333
(10) MONTHLY ACREAGE TIMES DELIVERABILITY ALLOCATE FACTOR OCT91-MAR92	7.44	12.61	18.21	9.86

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 2
Submitted by OC D
Hearing Date Aug 29, 1991

COMPARISON OF MONTHLY AVERAGE
POOL ALLOWABLES, SALES, F1 AND F2 FACTORS

PERIOD	ATOKA PENN	BLINEBRY	BUFFALO VALLEY PENN	BURTON FLAT MORROW	CARLSBAD MORROW	CATCLAW DRAW
OCT 89-MAR 90						
POOL ALLOWABLE;MCF PER MO	90,502	584,153	226,422	507,581	333,609	231,865
POOL SALES;MCF PER MO	88,473	445,221	207,301	392,388	256,256	126,029
F1	10,193	23,478	33,319	18,931	34,790	31,079
OCT 90-MAR 91						
POOL ALLOWABLE;MCF PER MO	100,273	441,816	239,674	544,365	200,077	146,514
POOL SALES;MCF PER MO	113,401	414,669	214,667	436,754	237,631	146,818
F1	17,180	21,879	33,489	39,884	10,517	21,757
OCT 91-MAR 92						
POOL ALLOWABLE;MCF PER MO	140,401	487,669	214,667	436,754	293,631	160,818
POOL SALES;MCF PER MO	31,660	30,746	47,955	36,789	20,068	34,265
F1						

PERIOD	EUMONT	IND. BASIN MORROW	IND. BASIN UPPER PENN	JALMAT	JUSTIS GLORIETA	TUBB
OCT 89-MAR 90						
POOL ALLOWABLE;MCF PER MO	2,279,715	90,717	3,187,359	775,942	57,744	338,032
POOL SALES;MCF PER MO	1,779,169	78,348	3,052,361	855,488	60,222	289,732
F1	13,965	47,191	132,760	7,184	3,575	8,383
OCT 90-MAR 91						
POOL ALLOWABLE;MCF PER MO	2,234,375	209,172	3,431,660	973,904	46,147	236,501
POOL SALES;MCF PER MO	2,318,783	196,828	3,229,032	884,356	39,436	213,773
F1	16,991	159,687	173,285	13,912	3,541	10,127
OCT 91-MAR 92						
POOL ALLOWABLE;MCF PER MO	2,423,399	200,826	3,557,032	1,203,831	45,436	266,773
POOL SALES;MCF PER MO	18,300	146,024	184,875	18,300	3,485	10,163
F1						

PERIOD	BASIN DAKOTA	BLANCO MESAVERDE	BLANCO P.C. SOUTH	TAPACITO
OCT 89-MAR 90				
POOL ALLOWABLE;MCF PER MO	12,242,569	16,894,172	1,797,464	449,567
POOL SALES;MCF PER MO	10,302,401	14,990,087	1,115,864	318,270
F1	4,528	2,629	375	488
F2	8.14	13.44	17.16	19.14
OCT 90-MAR 91				
POOL ALLOWABLE;MCF PER MO	9,416,739	15,731,709	1,508,811	332,221
POOL SALES;MCF PER MO	8,033,542	13,999,619	1,185,220	204,195
F1	5,676	3,690	483	546
F2	7.83	15.78	23.18	17.07
OCT 91-MAR 92				
POOL ALLOWABLE;MCF PER MO	8,033,542	14,045,619	1,185,220	204,195
POOL SALES;MCF PER MO	5,330	3,103	366	333
F1	7.44	12.61	18.21	9.86
F2				

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 3
Submitted by OCD
Hearing Date Aug 29, 1991

Copies To Bill Lemo
✓ Mike Stogner
Charlie E. r
orig To Case #10,377

OIL CONSERVATION DIVISION
Hallwood Energy Companies
4582 South Ulster Street Parkway, Stamford Place #1100 • Post Office Box 378111
Denver, Colorado 80237 • (303) 850-7373

OIL CONSERVATION DIVISION
RECEIVED
'91 AUG 15 AM 10 03

FEDERAL EXPRESS

August 15, 1991

State of New Mexico
Oil Conservation Division
Attn: Jim Morrow
P. O. Box 2088
Land Office Building
Santa Fe, NM 87504-2088

Re: Catclaw Draw Morrow Field
Purchaser Gas Nominations
Form C-121-A
October 1991 - March 1992

Dear Sir:

Attached for your use and records is Hallwood Petroleum's Purchaser Gas Nomination Form (C-121-A) for the upcoming 6-month proration period for Catclaw Draw Morrow Field. This information should be valuable in calculating the field allowables and represents an accurate volume of gas that Hallwood can produce from our thirteen (13) currently producing wells in the Catclaw Draw Morrow Field over the 6-month period of October 1991 through March 1992.

It is important to point out, as we discussed in our August 12, 1991 meeting, that these volumes are significantly higher than past historical production volumes for the field, primarily due to the following:

1. Catclaw Draw Unit #9 Recompletion -- This well was successfully recompleted in May 1991 to the Morrow "A" and "B" zones, and the former producing zone (Morrow "C") is temporarily abandoned. The well has demonstrated sustained production capability of 5500-7000 MCFD, with an AOF of 17,658 MCFD. Production from this well represents 52% of our total monthly volume.
2. Catclaw Draw Unit Com #17 -- This well was recompleted to the Morrow "A" zone in July 1991 with a resulting production increase from 50 MCFD to 940 MCFD! Production from this well represents 7% of our total monthly volume.

State of NM Oil Conservation Division
August 15, 1991
Page 2

3. Catclaw Draw Unit Com #16 -- This well is planned for a Morrow "A" zone recompletion in September 1991 and is analogous to the Catclaw Draw #17 well. We anticipate a production increase to 900 MCFD (27,360 MCF per month), again 7% of our total projected monthly volume.

It should also be mentioned that Hallwood is the first purchaser on nine (9) of the thirteen (13) currently producing wells we operate in Catclaw Draw Morrow Field, and Gas Company of New Mexico is first purchaser on four (4) wells, being:

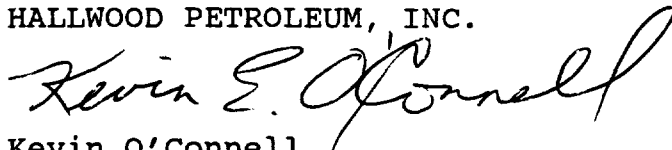
1. Catclaw Draw Unit #7
2. Catclaw Draw Unit Com #16
3. Catclaw Draw Unit Com #17
4. Nan-Bet Com #1

Hallwood is nominating gas for all thirteen (13) wells for this period and has discussed this with Gas Company of New Mexico to avoid duplicate reporting by two parties (see Attachment #2).

We hope this information is useful in determining pool allowables that will enable Hallwood and other operators in the field to produce their non-marginal wells at reasonable rates relative to the wells' capacity while still allowing the marginal wells to produce at their full capacity. We look forward to the August 29, 1991 hearing. Should you have any questions please call Kevin O'Connell at (303) 850-6303 or 1-800-388-4833.

Sincerely,

HALLWOOD PETROLEUM, INC.



Kevin O'Connell
Drilling & Production Supervisor
Western District

Enclosures

cc: Bruce Bowman
Mike Gregory
Eva Kardas

Victor T. Lyon
Tom Kellahin

Gas Company of New Mexico - P. O. Box 26400
Albuquerque, NM 87125
Attn: Paul Mollo

KEO/#51.jp

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-121-A
Revised 4-1-91

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

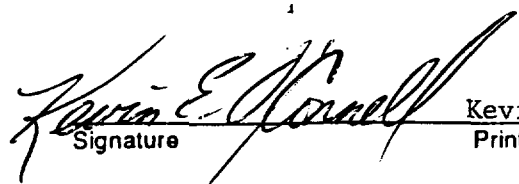
PURCHASER'S GAS NOMINATIONS

COMPANY HALLWOOD PETROLEUM, INC.	ADDRESS P. O. Box 378111, Denver, CO 80237
-------------------------------------	---

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, the above named company herewith submits its nominations for the purchase of gas from the Catclaw Draw Morrow (Prorated Gas) Pool for the month shown below: (insert in appropriate month)

MONTH	YEAR	NOMINATION, MCF
APRIL		
MAY		
JUNE		
JULY		
AUGUST		
SEPTEMBER		
OCTOBER	1991	410,000
NOVEMBER	1991	410,000
DECEMBER	1991	410,000
JANUARY	1992	408,000
FEBRUARY	1992	400,000
MARCH	1992	405,000

NOTE: All Volumes are to be MCF at 15.025 psia and 60° F.


Signature

Drilling & Production
Kevin E. O'Connell Supervisor
Printed Name & Title

Date 8/15/91
Telephone No. (303) 850-6303

FILING INSTRUCTIONS: One copy of this form must be filed with the Santa Fe Office of the Division by the first day of the month during which the nominations are to be considered at public hearing.

ATTACHMENT #2

Nominations from four (4) wells connected to Gas Company of New Mexico. These volumes are included in C-121-A nomination by Hallwood.

<u>Well Name</u>	<u>Daily Rate (MCFD)</u>	<u>Monthly Volume (MCF)</u>
Catclaw Draw Unit #7	359	10,914
Catclaw Draw Unit Com #6	900	27,360
Catclaw Draw Unit Com #17	940	28,576
Nan-Bet Com #1	620	<u>18,848</u>
	TOTAL	85,698 MCF

STATE OF NEW MEXICO

Oil Conservation Division

*August 29, 1991 Hearing
for
Prorated Gas Allowables For
October 1991 - March 1992*

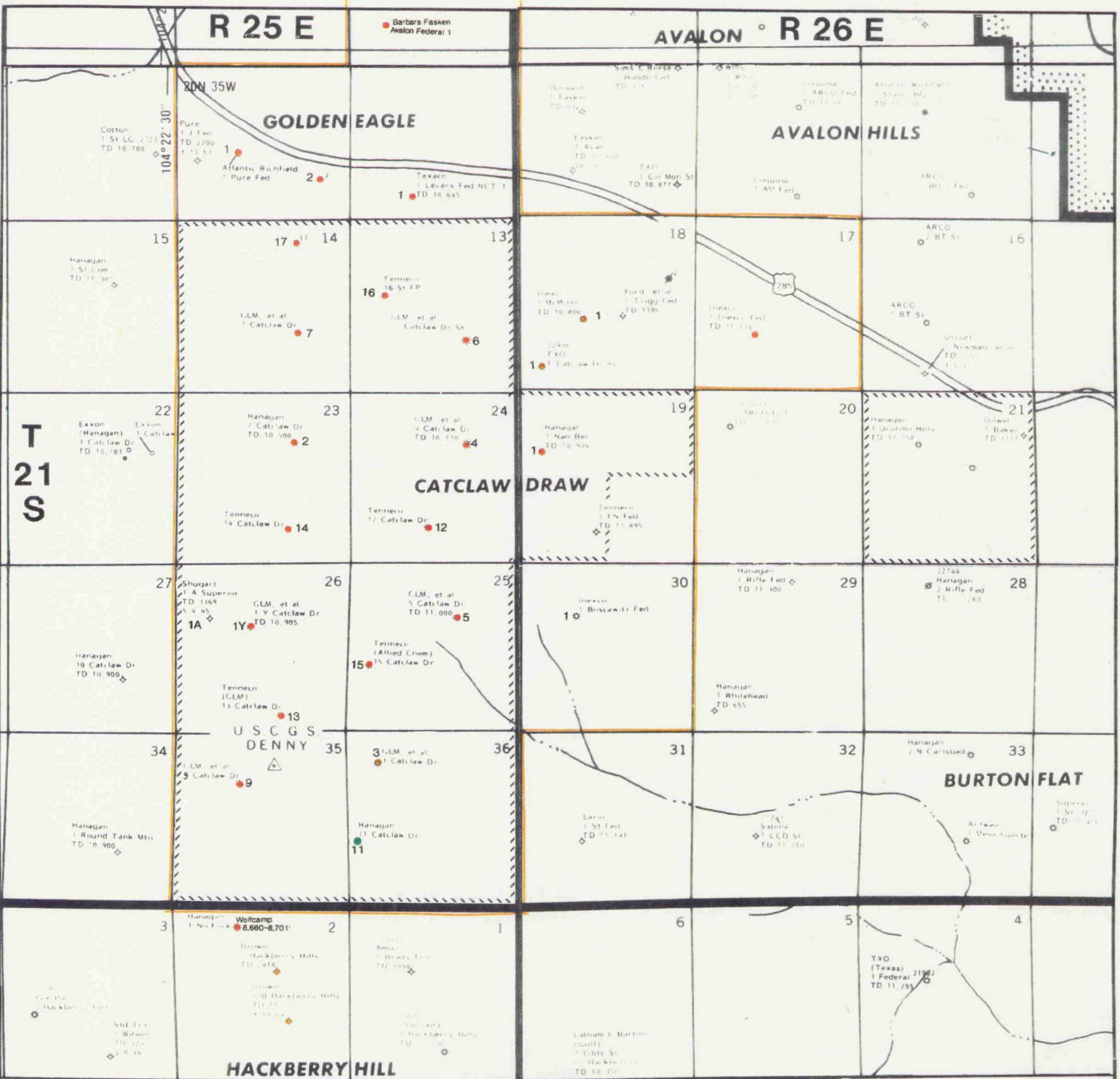
158,000 MCF

Summary Comments and Exhibits

By

Hallwood Petroleum, Inc.

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No. <u>10377</u>	Exhibit No. <u>1</u>
Submitted by <u>Hallwood</u>	
Hearing Date <u>8/29/91</u>	



- Field Boundary
- Hallwood Acreage
- Producing Wells
- Shut-in Wells
- P&A'd Wells

Revisions		
No.	Date	By
1		
2		
3		
4		
5		

HALLWOOD PETROLEUM, INC.

CAT CLAW DRAW FIELD

EDDY COUNTY, N.M.

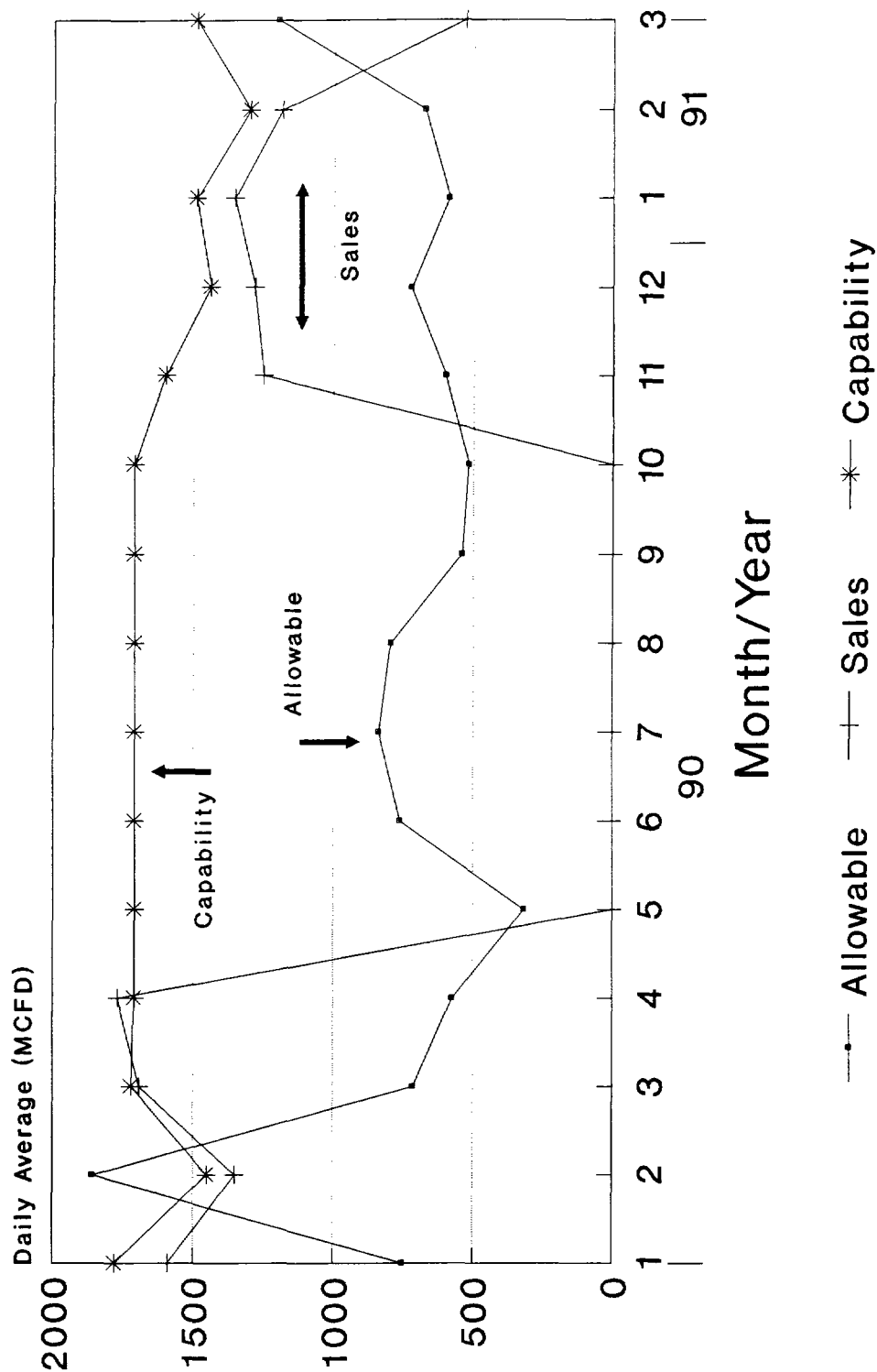
Drawn By: AK | Scale: 12000' | Date: 2/87

CATCLAW DRAW UNIT #1Y AND #13
Proration Unit
Catclaw Draw (Morrow) Field

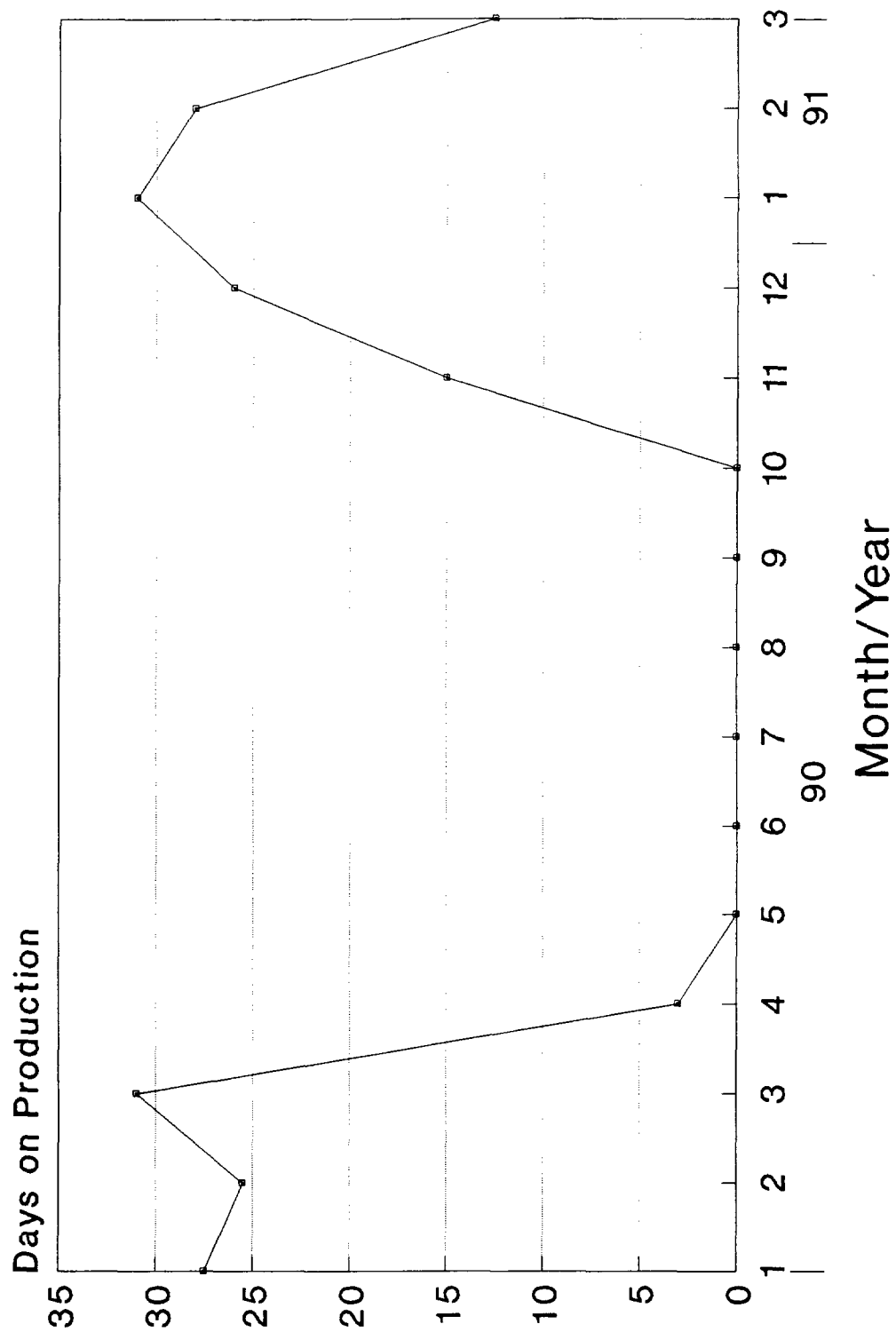
- This proration unit is currently a non-marginal unit.
- Hallwood has been shutting this unit in (or curtailing production) during summer to build allowable.
- During the 15-month period January 1990-March 1991, this proration unit was produced only 44% of the time (200 days out of 455 days).
- Despite this restricted production level this proration unit is still 300,014 MCF overproduced as of 3/31/91.
- Hallwood has withheld this gas from the market, for allowable/overproduction reasons, even when we had the opportunity to sell the gas.
- This proration unit is a good example highlighting the need to raise non-marginal unit allowables, as average assigned allowable (January '90 - March '91) has only been 44.3% (764 MCFD) of this proration unit's capability of 1616 MCFD.

CDU #1Y and #13 - Daily Averages

Allowable, Sales, Capability



CDU #1Y and #13 - Days on Production 1/90 through 3/91

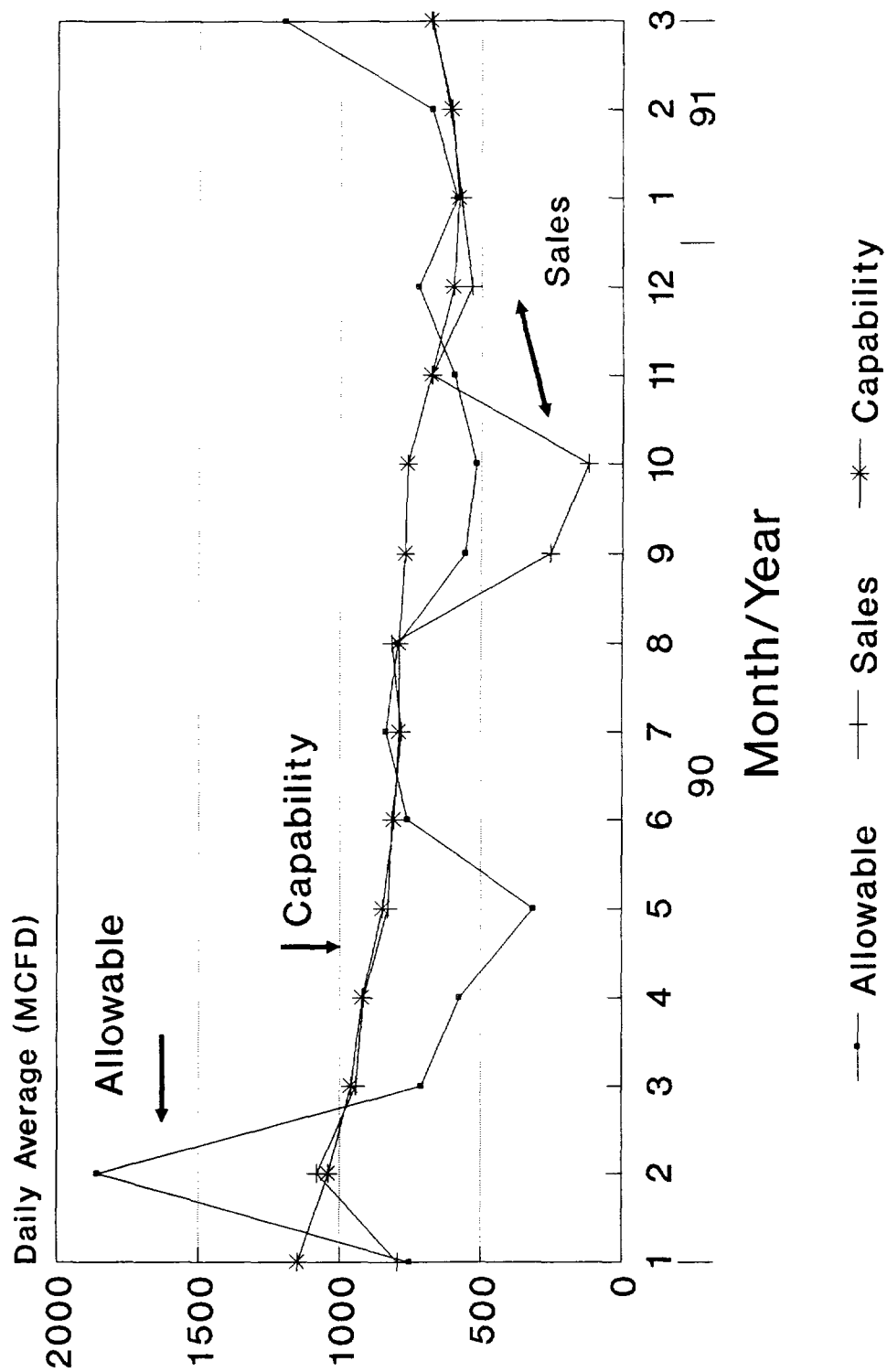


CATCLAW DRAW UNIT #2 AND #14
Proration Unit
Catclaw Draw (Morrow) Field

- This proration unit is a non-marginal unit but should be reclassified as marginal, as the unit has not produced its allowable in 8 consecutive months (since November 1990).
- This proration unit has been able to produce 89% of the time recently (January '90 - March '91) or 405 days out of 455 days.
- This unit is currently underproduced 31,544 MCF as of 7/31/91.
- Proration of this non-marginal unit has been working adequately, primarily due to the fact that production has been declining and average assigned allowable (January '90 - March '91) has been 96% (764 MCFD) of the unit's capability of 799 MCFD.
- This example helps illustrate that, if non-marginal allowables were increased, proration units such as this one would become reclassified as marginal and allowed to continue producing at essentially the same rates.

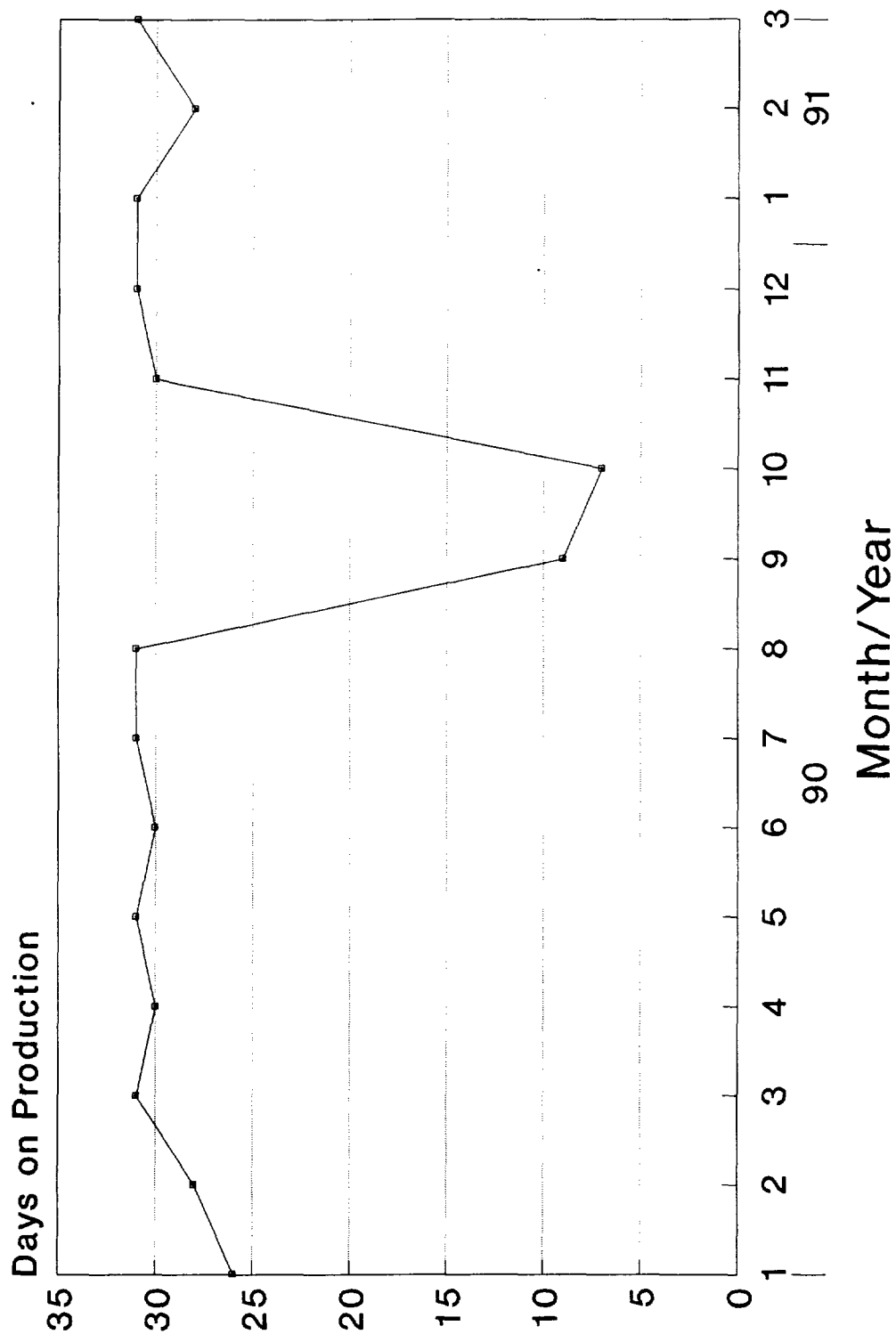
CDU #14 & #2

Allowable, Sales, Capability



CDU #14 & #2 - Days on Production

1/90 through 3/91

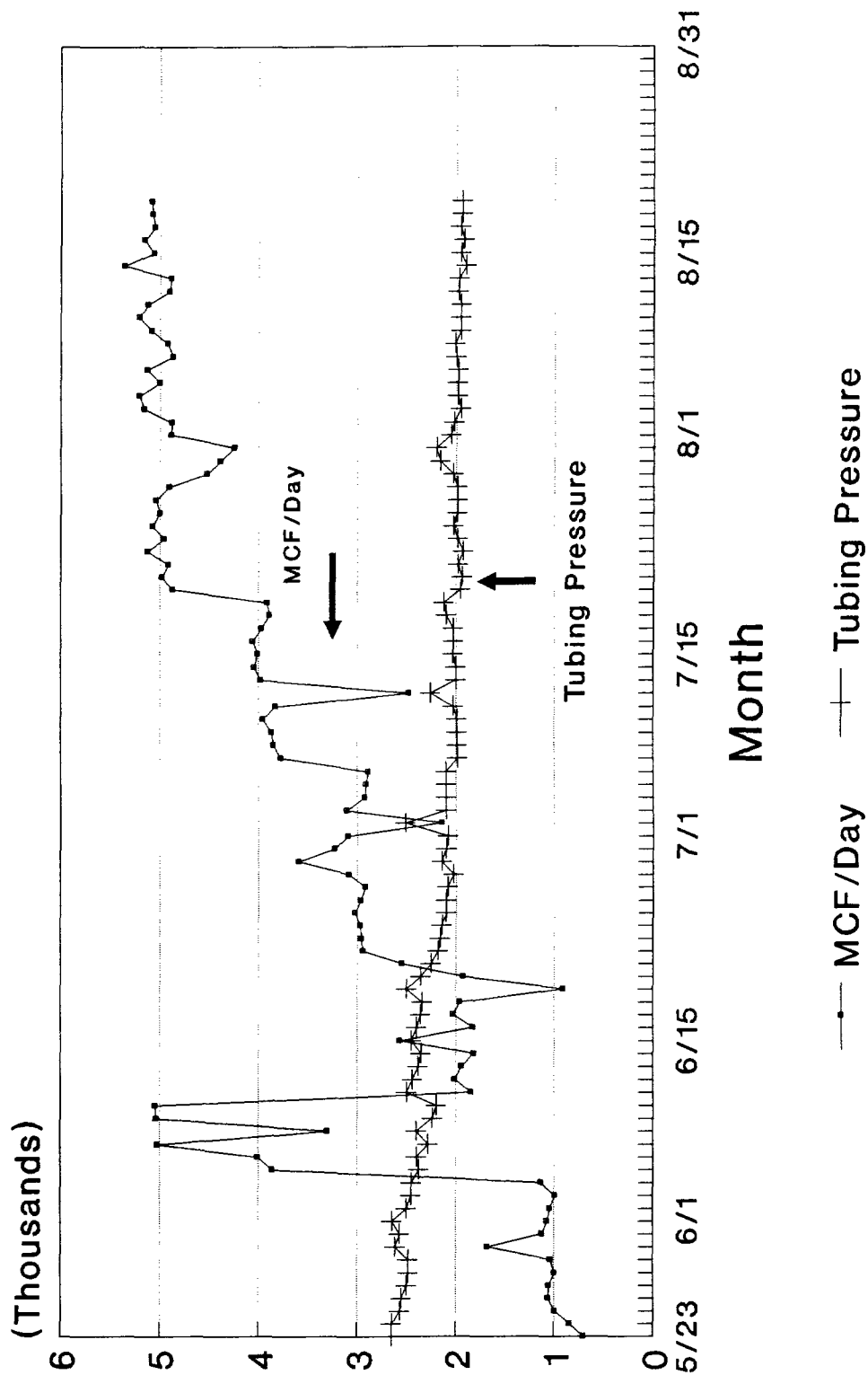


CATCLAW DRAW UNIT #9
Proration Unit
Catclaw Draw (Morrow) Field

- This one-well proration unit was classified as marginal, but will most likely be reclassified as non-marginal.
- Hallwood recompleted the well in May 1991. Four zones in the Morrow "A" and "B" were perforated (73' net). The well has produced at rates up to 5800 MCFD and has a calculated AOF (absolute open flow) of 17,658 MCFD.
- C-104 form was filed on July 30, 1991.
- Post recompletion production (since May 22, 1991) has been approximately 342,000 MCF. Current production is averaging 5100 MCFD at 1950# FTP.
- This proration unit has demonstrated capability (and supporting gas sales) that is over 8 times the current top allowable for a standard 640-acre GPU (gas proration unit).
- This proration unit illustrates the need to raise the pool allowable to a level such that non-marginal units can be produced at rates commensurate with their capability.

CDU #9-Post Recompletion Production

Catclaw Draw (Morrow) Field



CATCLAW DRAW (MORROW) FIELD
Recent Monthly Pool Sales Volumes

	<u>Period</u>	<u>MCF/Mo.</u>	<u>MCFD</u>
(1)	Oct. 1990 - Dec. 1990 (From proration schedule)	158,408	5210
(2)	Oct. 1990 - March 1991 (From Victor Lyon)	184,712	6076
(3)	January 1991	194,381	6394
(4)	Average of 2 and 3 equals expected "winter monthly sales"	189,546	6235

CATCLAW DRAW (MORROW) FIELD
Marginal Well Production Estimate

<u>Operator</u>	<u># Proration Units</u>	<u># Wells</u>	<u>MCF/Month</u>
Barbara Fasken	2	2	7,800
Hondo	1	2	22,000
Texaco	1	1	<u>20,500</u>
		Subtotal	50,300 MCF/mo
*Hallwood	6	11	152,882
			=====
		Total	203,182 MCF/mo

*Includes all but 2 proration units (3 wells) consisting of the Catclaw #1Y and #13 unit and Catclaw #9 unit.

CATCLAW DRAW (MORROW) FIELD
Allowable Determination
With 2 Non-Marginal Proration Units

	<u>MCF/Month</u>
(1) Average monthly pool sales, 10/90 - 3/91	189,546
(2) Total nominations	410,000 (Hallwood)
(3) Adjustments	268,736 (Catclaw #9, #16, #17 - anticipated production)
(4) Monthly pool allowable, 10/91 - 3/92	458,282
(5) Monthly marginal pool allowable, 10/91 - 3/92	203,182
(6) Monthly non-marginal pool allowable, 10/91 - 3/92	255,100
(7) Number of non-marginal acreage factors	2.00 (Catclaw #9 P.U., Catclaw #1Y & #13 P.U.)
(8) Monthly acreage allocation factor, 10/91 - 3/92	127,550
(9) Average daily rate	4196 MCFD

GAS COMPANY OF NEW MEXICO**DATE:** 8/28/91**PHONE NUMBER:** 303-850-6530**TO:** Michael Gregory**CITY:** Denver**FROM:** A. Lindsey McMurray
Gas Contract Representative**LOCATION CODE:** 0628**TOTAL NUMBER OF PAGES INCLUDING COVER LETTER** 1

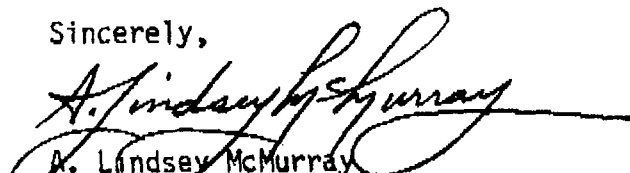
**IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL SWITCHBOARD OPERATOR
AT (505) 880-7900. OUR TELECOPIER NUMBER IS (505) 880-7280.**

ACTION REQUESTED:**INFORMATION ITEM ONLY** x **RESPONSE REQUESTED** **SPECIAL INSTRUCTIONS: -**

Under Gas Purchase Agreement #22205 dated November 1, 1988, and upon the mutual agreement of terms for amendment to such Agreement by E.M. Nominee and Gas Company of New Mexico (GCNM), GCNM is willing to purchase up to the total 15,000 MMBtu per day for the 1991-1992 winter season.

Pursuant to such amendment to the Agreement, GCNM would also pursue extension of the Agreement to July 1, 1994.

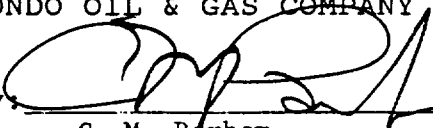
Sincerely,



A. Lindsey McMurray
Gas Contract Representative

As representative for the undersigned company, we support allowables for the Catclaw Draw Morrow Field being based on the nominations as set forth on Form C-121-A (attached) as filed by Hallwood Petroleum, Inc. with the New Mexico OCD on August 16, 1991.

HONDO OIL & GAS COMPANY

By: 

C. M. Parham

Title: Vice President

Date: 8/19/91

RECEIVED
AUG 23 1991
WESTERN REGION

RECEIVED

AUG 26 1991

WESTERN REGION

As representative for the undersigned company, we support allowables for the Catclaw Draw Morrow Field being based on the nominations as set forth on Form C-121-A (attached) as filed by Hallwood Petroleum, Inc. with the New Mexico OCD on August 16, 1991.

FASKEN OIL & RANCH INTERESTS (BARBARA FASKEN)

By: James F. Broce
Title: Manager Engineering/Operations
Date: 8/21/91

As representative for the undersigned company, we support allowables for the Catclaw Draw Morrow Field being based on the nominations as set forth on Form C-121-A (attached) as filed by Hallwood Petroleum, Inc. with the New Mexico OCD on August 16, 1991.

TEXACO ~~PRODUCING COMPANY~~ Exploration and Production Inc.

By: J A Head
Title: Area Manager
Date: 8/28/91

BLINEBRY POOL

17

Before the

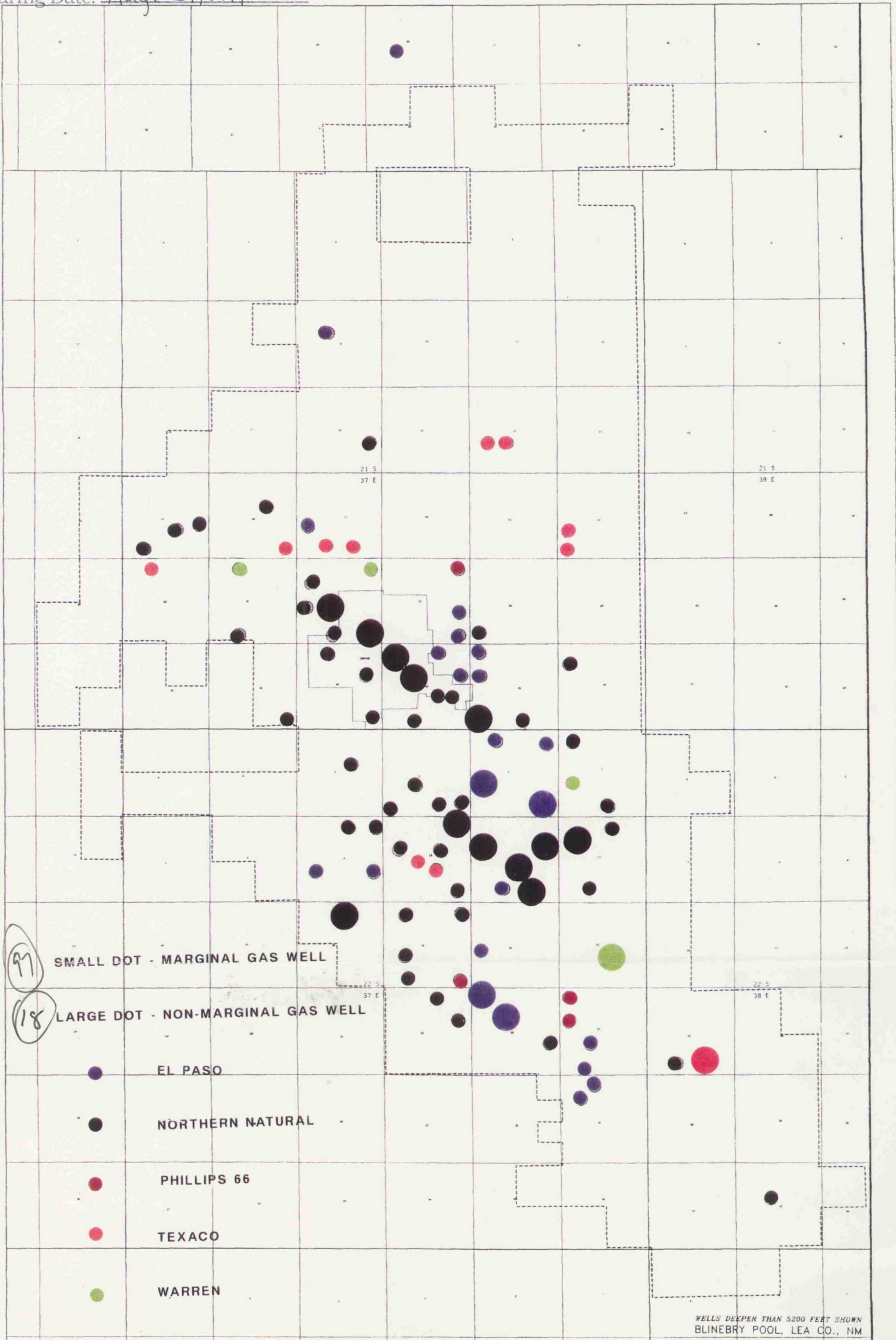
OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Case No. 10377 Exhibit No. 1

Submitted By: Marathon Oil Co.

Hearing Date: Aug. 29, 1991



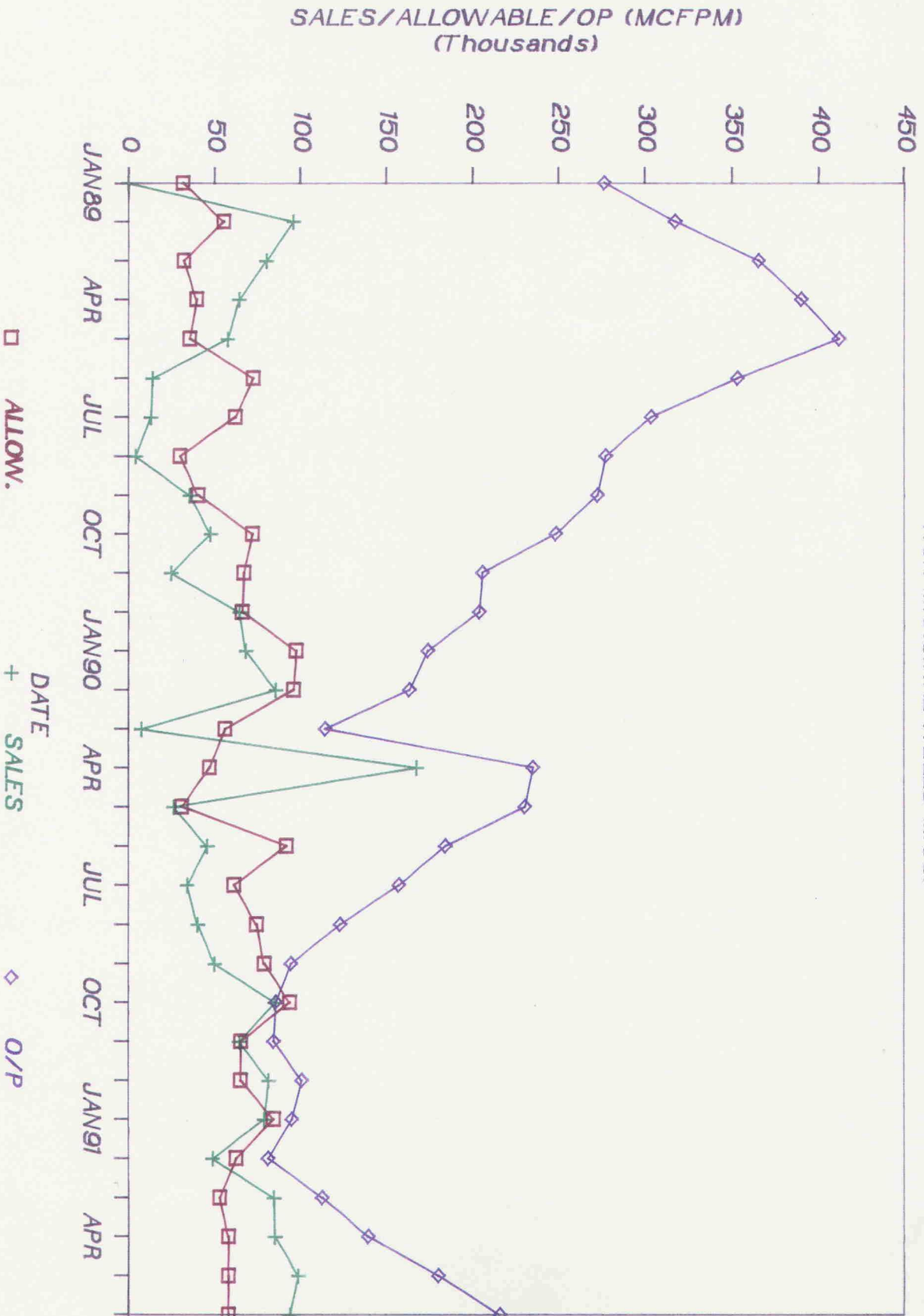
BLINEBRY POOL
NON MARGINAL GAS WELLS (MOC)

<u>DATE</u>	<u>MARK OWEN NO. 2</u>		<u>LOU WORTHAN NO. 9</u>		<u>LOU WORTHAN NO. 12</u>	
	<u>RATE</u> <u>(MCFD)</u>	<u>FCP</u> <u>(PSIG)</u>	<u>RATE</u> <u>(MCFD)</u>	<u>FCP</u> <u>(PSIG)</u>	<u>RATE</u> <u>(MCFD)</u>	<u>FCP</u> <u>(PSIG)</u>
8/17/91	1,940	160	1,940	135	1,940	150
8/18/91	1,796	160	1,836	150	1,938	140
8/19/91	1,733	160	1,782	90	1,823	150
8/20/91	1,678	150	1,799	90	1,900	140
8/21/91	1,596	150	1,810	100	1,864	150
8/22/91	1,504	150	1,790	100	1,881	130
8/23/91	1,504	160	1,766	90	1,836	140

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10377 Exhibit No. 2
Submitted By: MARATHON OIL Co.
Hearing Date: 8/29/91

BLINEBRY POOL

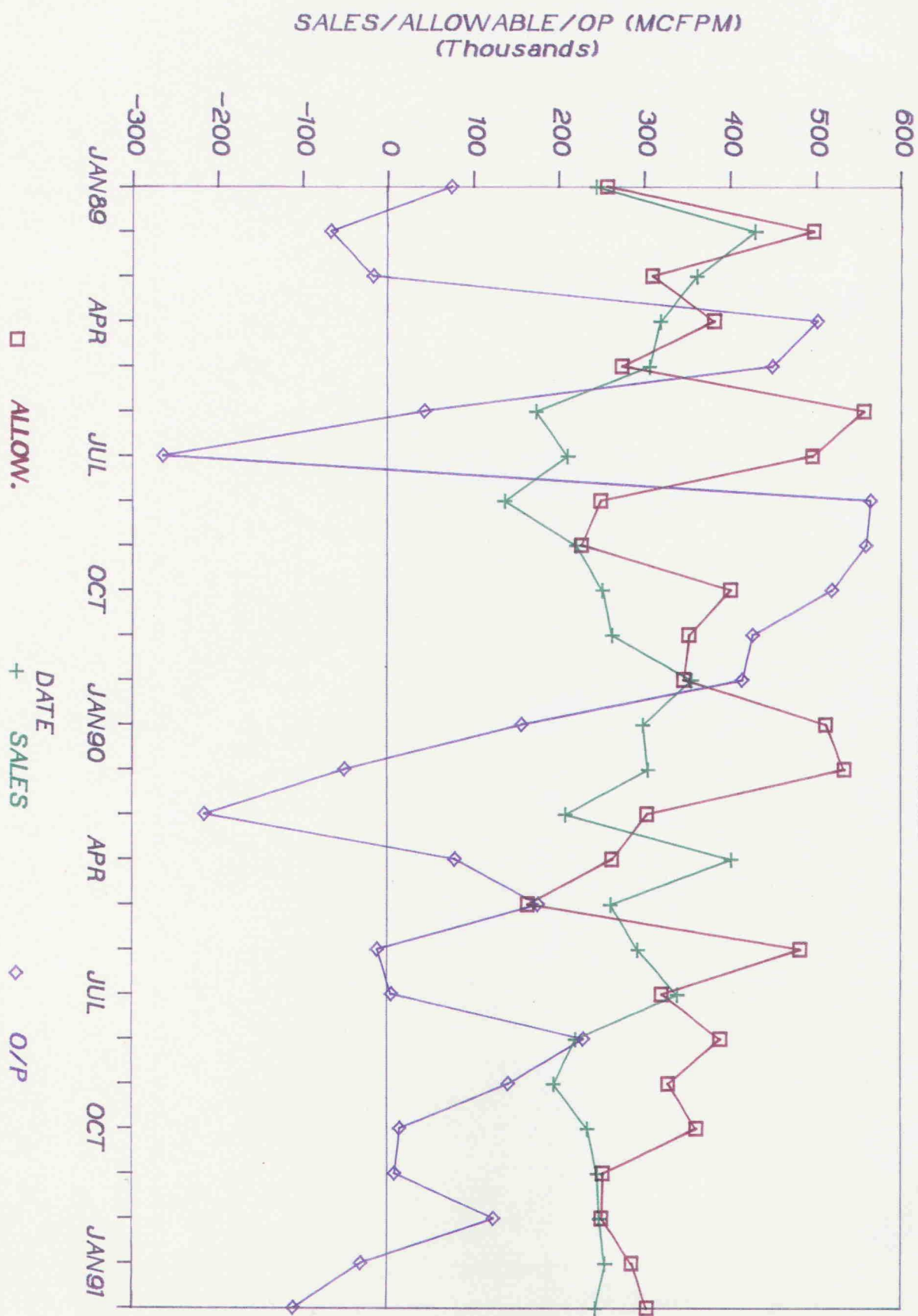
NON MARGINAL WELLS (MOC)



Before the
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
 Case No. 10377 Exhibit No. 4
 Submitted By: Wacahon Oil Co.
 Hearing Date: Aug. 29, 1991

BLINEBRY POOL

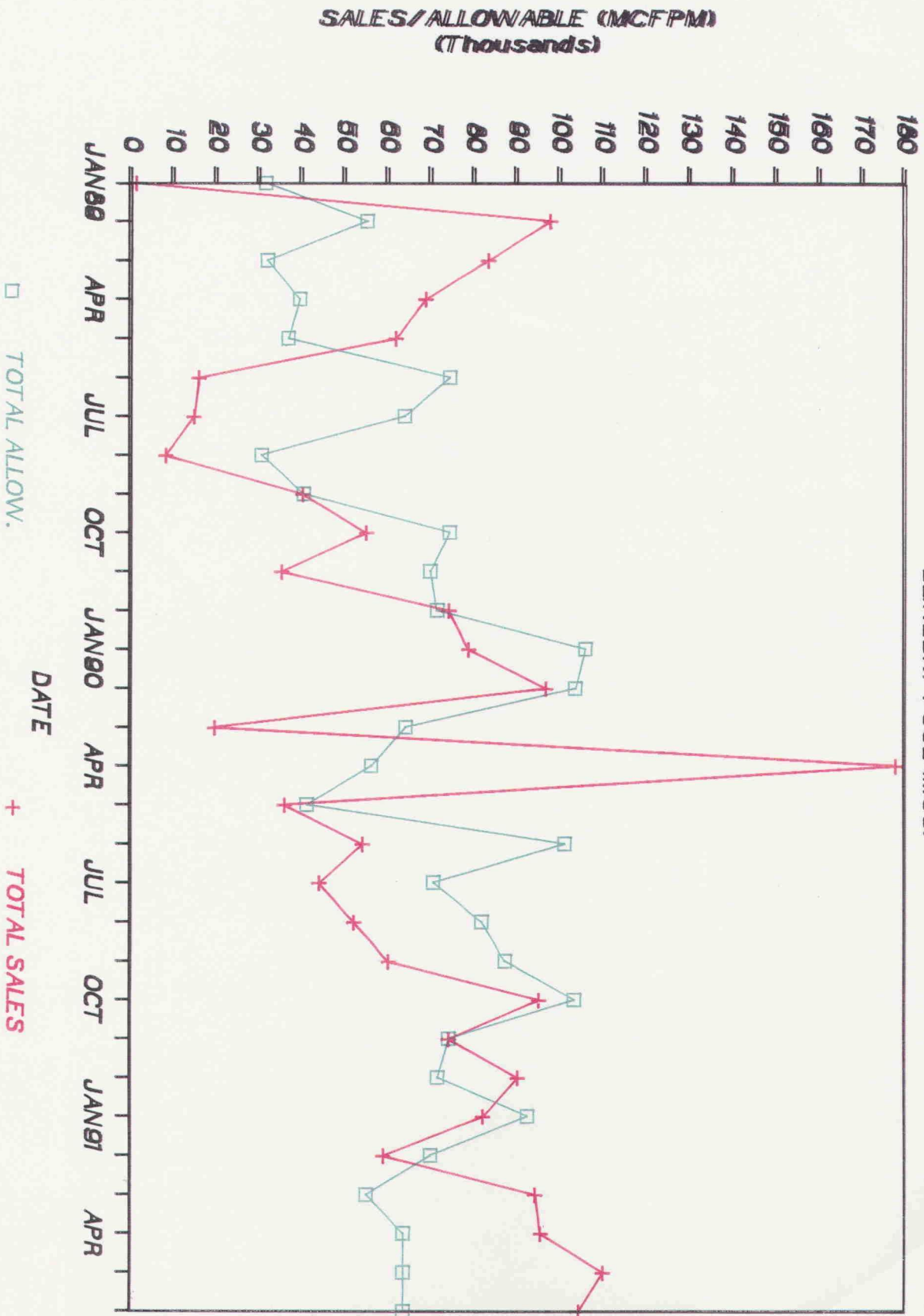
NON-MARGINAL WELLS



DRINKARD FIELD

BUNEARY POOL (MOC)

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10322 Exhibit No. 5
Submitted By: MURKIN OIL CO.
Hearing Date: Aug. 29, 1991



PURCH./
GATH./
TRANS.

=====
NORTHERN NAT. GAS

ACREAGE

OPERATOR =====	WELL NAME =====	FACTOR =====
HENDRIX CORP.	ELLIOTT HINTON #1	1.00
MARATHON	MARK OWEN #2	1.00
	LOU WORTHAM #9	1.00
	LOU WORTHAM #12	1.00
MOBIL	S. E. LONG (MWU)	1.00 (2)
	MARSHALL COM #2	1.00 (2)
CHEVRON	J. N. CARSON NCT A #9 (MWU)	1.00 (2)
	J. N. CARSON NCT C #6	0.75
	R. E. COLE NCT A #6	0.25
	EAVES #6	0.25
		====
		8.25

EL PASO NAT. GAS

OPERATOR =====	WELL NAME =====	FACTOR =====
ARCO	OLLIE J. BOYD (MWU)	1.00 (2)
EXXON	NEW MEXICO ST. #21	0.25
	NEW MEXICO ST. #23	0.75
		====
		2.00

WARREN

OPERATOR =====	WELL NAME =====	FACTOR =====
MARATHON	EDITH BUTLER #2	0.25
		====
		0.25

TEXACO PROD. INC.

OPERATOR =====	WELL NAME =====	FACTOR =====
TEXACO INC.	A. H. BLINEBRY FED. NCT 1	0.25
		====
		0.25

=====
10.75

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10317 Exhibit No. 6
Submitted By: MARATHON OIL CO.
Hearing Date: 8/29/91