

COMMISSION HEARING MARCH 10, 1994
PRORATED GAS ALLOWABLES APRIL-SEPT., 1994
CASE 10933
TESTIMONY NOTES

EXHIBIT NO. 1 is the Market Demand and Allowable Determination Schedule for the prorated gas pools in SE NM.

This is the layout we have used in the past to establish a beginning point for pool allowables and F1 factors for each pool. As discussed at previous hearings, the F1 factor is the monthly allowable which is assigned to a prorated or non-marginal well which has an acreage factor of 1.

The allowables are actually assigned to the GPUs since some have more than one - sometimes as many as 6 or 7 wells on a single GPU.

Prorated GPUs with acreage factors different from 1 are assigned allowables equal to F1 times the acreage factor.

The acreage factor is a ratio equal to the acreage dedicated to a GPU divided by pool spacing (in most cases).

To briefly explain how the MDADS table works, please look at the top line on the top page of Exhibit No. 1. Average monthly production from the Atoka Penn Pool during the Apr-Sep 1993 period was 106,172 MCF per month. The pool adjustment column will be used to introduce any adjustments which you decide are appropriate after you hear and review the testimony and evidence presented here today.

In the third column we have entered the same 106,172 MCF as a starting point for Apr-Sep, 1994 allowable, assuming no adjustments. Column 4 is the avg. monthly gas volume produced by marginal wells in the Apr-Sep, 1993 period. This amount is subtracted from the total pool volume, leaving 47,070 MCF for the prorated wells.

Since there are currently only 2 prorated acreage factors in the Atoka Penn Pool, each would receive 1/2 of the 47,070. So the F1 factor (last column) is 23,535 MCF.

Pages 2 and 3 of Ex.1 are MDADS tables from the last 2 proration schedules and are included for comparison to show previous allowable and production records for each pool.

EXHIBIT No. 2 is similar to Ex 1. Ex 2 is the MDADS for the 4 prorated gas pools in the Aztec Dist. Please look at the Basin Dakota Pool on the top line; it follows the same format as Ex 1 until the 6th column. In the NW NM pools only a part of prorated pool allowable is distributed to the GPUs based on acreage. Deliverability is also a factor.

In Basin Dakota the acreage part of the allowable for a prorated GPU is $171,042 \times 60\% / 15.05 = 6,819$ MCF per month for a GPU with an acreage factor of 1. This is the F1 factor.

The remaining 40% of the allowable is distributed to the prorated GPUs by first determining the F2 factor. This is $171,042 \times 40\% /$ the sum of prorated AD factors. The AD factor is the acreage factor of a GPU $\times$ the daily deliverability for the GPU. The sum of these is 7,978 (an average deliverability of 530). The F2 factor is $171,042 \times 40\% / 7,978 = 8.57$. Each prorated GPU receives allowable equal to $8.57 \times AF \times del.$ This is in addition to the F1 part of the allowable.

A GPU with an AF of 1 and a del. of 530 would be assigned a monthly allowable of $6,819 + (1 \times 8.57 \times 530) = 6,819 + 4,542 = 11.36$ MMCF per month or 372 MCF per day.

The calculations for the remaining 3 Aztec Dist. pools use the same method except that 25% of the allowable is based on acreage and 75% on acreage $\times$ deliverability.

Pages 2 and 3 of ex 2 are tables from the last 2 proration schedules included for information concerning recent allowable and production volumes.

Exhibit No. 3 is a group of graphs showing historical data from the Eumont Pool. The top plot shows a record of the average monthly allowable and production volumes for the Apr-Sep periods for the last 5 years. The Apr-Sep 1994 preliminary allowable is also plotted. The Oct-Mar periods are left out since this hearing is concerned with Apr-Sept.

The increases in allowable and production are the results of more demand, new wells, and workovers. A minimum allowable equal to an F1 of 18.3 MMCF per month (600 MCF/day) was assigned early in 1991. At a recent Eumont-Jalmat hearing, testimony was entered which indicated that the minimum allowable had enabled operators to justify the expenditures necessary for new drilling and remedial projects in the two pools.

As allowables have been increased in Eumont to permit the pool to participate in the increasing demand for NM gas, the number of prorated or non-marginal GPUs has declined from 150 to 22 between 1989 and now. This is shown on the bottom graph.

EXHIBIT No. 4 shows similar data for the Blanco Mesaverde Pool. Production, allowable and F1 factors have increased. Prorated acreage factors have decreased from 1500 to 126 as we have assigned additional allowable to Blanco Mesaverde and other prorated pools in response to increasing demand.

This concludes the discussion of OCD's exhibits 1-4; we will try to answer any questions.

OIL CONSERVATION DIVISION
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS OF NORTHWEST NEW MEXICO
FOR APRIL 1994 THROUGH SEPTEMBER 1994
ONGARD: 2-8-94

Pool Name	Avg Monthly Pool Sales Apr93-Sep93	Pool Adjustments	Monthly Pool Allowable Apr94-Sep94	Monthly Marginal Pool Allowable Apr94-Sep94	Monthly Non-Marginal Pool Allowable Apr94-Sep94	Number of Non-Marginal Acct. Factors	Monthly Average Alloc. Factor
Atoka Penn	106,172	0	106,172	59,102	47,070	2.00	23,535
Blinebry Oil and Gas	564,643	0	564,643	450,873	133,770	3.00	37,923
Buffalo Valley Penn	293,780	0	293,780	260,968	32,812	1.00	32,812
Burton Flat Strawn	77,479	0	77,479	77,479	0	0.00	10,000
Carlsbad Morrow, South	239,683	0	239,683	239,683	0	0.00	25,000
Catclaw Draw Morrow	435,390	0	435,390	435,390	0	0.00	90,000
Eumont Yates 7 Rivers Qn	2,563,744	0	2,536,744	2,156,185	407,559	22.60	18,300
Indian Basin Morrow	62,700	0	62,700	47,231	15,469	1.00	15,469
Indian Basin Upper Penn	3,722,866	0	3,722,866	2,934,038	788,828	4.86	162,310
Jalmat Tansill YT 7 Rivers	1,029,426	0	1,029,426	973,847	55,579	4.25	18,300
Justis Glorieta	48,401	0	48,401	26,832	21,569	2.00	18,300
Monument McKee Ellen	12,660	0	12,660	12,660	0	0.00	25,000
Tubb Oil and Gas	293,367	0	293,367	203,620	89,747	8.75	10,257

*All Gas Volumes Shown in MCF

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Exhibit No.

Case No.

ONGARD
OIL CONSERVATION DIVISION
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GASPOOLS OF SOUTHEAST FOR OCT93 THRU MAR94

DATE: 09/24/93
TIME: 17:26:05

POOL NAME	AVG MONTHLY POOL SALES OCT92-MAR93	POOL ADJUST- MENTS	MONTHLY POOL ALLOWABLE OCT93-MAR94	MONTHLY MARG POOL ALLOWABLE OCT92-MAR93	MONTHLY MARG POOL ALLOWABLE OCT92-MAR93	NUMBER OF NON-MARG ACREAGE FACTORS	MONTHLY ACREAGE ALLOC FAC OCT93-MAR94
ATOKA PENN. (PRORATED GAS)	101,953	0	101,953	53,653	48,300	2.00	24,150
BLINEBRY OIL AND GAS	469,184	0	469,184	332,225	136,959	3.00	45,653
BUFFALO VALLEY PENN. (PRORATED GAS)	315,296	0	315,296	281,159	34,137	1.00	34,137
BURTON FLAT STRAIN (PRORATED GAS)	49,026	0	49,026	49,026	0	0.00	0
CARLSBAD MORROW, SO. (PRORATED GAS)	223,545	0	223,545	223,545	0	0.00	0
CATCLAM DRAM MORROW (PRORATED GAS)	393,934	0	393,934	393,934	0	0.00	0
ELMONT YATES 7 RVRB ON (PRO GAS)	2,695,638	113,874	2,869,512	2,218,542	650,970	22.50	28,932
INDIAN BASIN MORROW (PRORATED GAS)	82,505	0	82,505	65,558	16,947	1.00	16,947
INDIAN BASIN UPPER PENN. (PRO GAS)	3,720,907	119,011	3,839,918	2,882,407	957,511	4.86	197,019
JALMAT TANSILL YR 7 RVRB (PRO GAS)	1,059,439	0	1,059,439	998,947	60,492	3.25	18,613
JUSTIS GLORIETA (PRORATED GAS)	53,756	0	53,756	27,997	25,759	4.00	6,440
MONUMENT MCKEE ELLEN (PRORATED GAS)	12,636	0	12,636	12,636	0	0.00	0
TUBB OIL AND GAS	265,016	0	265,016	169,065	95,951	8.75	10,966

***** END OF REPORT *****

CASE NO. 10799
ORDER NO. R-9960
EXHIBIT "A"

ENR216T--ENR216-01
 RUN-TIME: 15:40:43

EXHIBIT "A" COMMISSION ORDER NO. R-9650
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 PROPOSED GAS POOLS - SOUTHEAST NEW MEXICO
 FOR APR93 THRU SEP93

RUN-DATE 02/08/93

	ATOKA PENN	BIDDERBY	BUFFALO	CARLSBAD	CATCLAW DRAIN	EUPHONT	INDIAN BASIN	INDIAN BASIN	JALPURT	JUSTIS BL	TUBB
			VALLEY PENN	HORROM	HORROM		HORROM SO	UPPER PENN			
(1) AVERAGE MONTHLY	105,758	500,824	310,329	240,881	304,049	2,505,122	92,730	3,513,791	1,160,140	40,936	280,492
POOL SALES											
APR92-SEP92											
ALL VOLUME ARE IN PCF.											

(2) TOTAL
 NOMINATIONS
 AVG MONTH VOL.

(3) ADJUSTMENTS. 34,016 166,234 89,069 5,920

(4) MONTHLY POOL ALLOWABLE 105,758 535,638 310,329 240,881 304,049 2,505,122 92,730 3,680,025 1,160,140 138,005 294,420
 APR93-SEP93
 (LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL POOL ALLOWABLE 82,459 298,130 239,520 233,949 301,060 1,933,708 36,175 2,320,245 1,081,617 7,805 165,489
 APR92-SEP92

(6) MONTHLY NON-MARGINAL POOL ALLOWABLES 23,299 237,500 70,809 6,932 82,989 571,334 56,555 1,359,780 106,531 130,200 126,931
 APR93-SEP93
 LINE 4 - LINE 5

(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS 1.00 6.25 2.00 19.75 2.00 6.92 4.25 7.00 9.50

(8) MONTHLY ACREAGE ALLOCATE FACTOR 23,299 36,000 35,450 *25,000 *90,000 20,920 27,109 196,500 25,066 16,600 13,572
 APR93-SEP93
 (LN 6 / LN 7)

F1 FACTORS FOR OTHER POOLS WAS OF 9-30-92 THESE POOLS DO NOT HAVE ANY PROPORTION UNITS
 BURTON FLAT STRAWN F1 = 10,000 IN THE NON-MARGINAL STATUS. THESE F1 FACTORS ARE ASSIGNED
 MCNEMENY MCKEE ELLEN F1 = 25,000 TO MONITOR THE WELLS IN THESE POOLS.

OIL CONSERVATION DIVISION
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS OF NORTHWEST NEW MEXICO
FOR APRIL 1994 THROUGH SEPTEMBER 1994
ONGARD: 2-8-94

Pool Name	Avg Monthly Pool Sales Apr93-Sep93	Pool Adjustments	Monthly Pool Allowable Apr94-Sep94	Monthly Marginal Pool Allowable Apr94-Sep94	Monthly Non- Marginal Pool Allowable Apr94-Sep94	Number of Non-Marginal Act. Factors	Number of Non- Marginal Act. * Div.	Monthly Acreage Alloc. Factor	Monthly Act. * Div. Factor
Basin Dakota	9,548,540	0	9,548,540	9,377,498	171,042	15.05	7,978	6,819	8.57
Blanco Mesaverde	16,495,592	0	16,495,592	14,049,750	2,445,842	129.16	85,529	4,734	21.45
Blanco Pictured Cliffs	1,216,638	0	1,216,638	1,106,658	109,980	84.80	3,974	324	20.75
Tapacito Pictured Cliffs	326,656	0	326,656	314,232	12,424	8.00	566	388	16.46

**All Gas Volumes Shown in MCF

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico Exhibit No. Case No.
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ONCARD
OIL CONSERVATION DIVISION
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GASPOOLS OF NORTHWEST FOR OCT93 THRU MAR94

DATE: 09/24/93
TIME: 17:27:04

POOL NAME	AVG MONTHLY POOL SALES OCT92-MAR93	POOL ADJUST- MENTS	MONTHLY POOL ALLOWABLE OCT93-MAR94	MONTHLY MARG POOL ALLOWABLE OCT92-MAR93	MONTHLY NON MARG POOL ALLOWABLE OCT92-MAR93	NUMBER OF NON MARG ACR FACTORS	NUMBER OF NON MARG ACR * DLY	MONTHLY ACREAGE ALLOC FACTOR	MONTHLY ACR. * DLY FAC
BASIN DAKOTA	9,597,344	0	9,597,344	9,434,103	163,241	13.05	7,439	7.505	8.78
BLANCO MESAVERIDE	16,717,815	500,000	17,217,815	14,148,513	3,069,302	128.16	87,859	5.987	26.20
BLANCO P. C. SOUTH	1,398,889	19,844	1,418,733	1,260,562	158,171	85.80	4,293	461	27.63
TAPCITO PICTURED CL	319,752	0	319,752	304,454	15,298	8.00	566	478	20.27

***** END OF REPORT *****

CASE NO. 10799
ORDER NO. R-9960
EXHIBIT "B"

ENSP216T--ENSP216-01
 RUN-TIME: 15:40:43

EXHIBIT "T" COMMISSION ORDER NO. R-9056
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 - PROPOSED GAS POOLS - NORTHWEST NEW MEXICO
 FOR APR93 THRU SEP93

RUN-DATE 02/08/93

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

(1) AVERAGE MONTHLY 0,171,546 14,317,142 1,257,205 234,942
 POOL SALES
 APR92-SEP92
 ALL VOLUME ARE IN MCF.

(2) TOTAL
 NOMINATIONS
 AVG MONTH VOL.

(3) ADJUSTMENTS. 2,000,000 2,900,000 177,619 75,000

(4) MONTHLY POOL 10,171,546 17,217,142 1,434,904 309,942
 ALLOWABLE
 APR93-SEP93
 (LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL 6,377,077 0,006,664 060,301 146,291
 POOL ALLOWABLE
 APR92-SEP92

(6) MONTHLY 3,794,469 0,330,478 566,603 163,651
 NON-MARGINAL
 POOL ALLOWABLES
 APR93-SEP93
 LINE 4 - LINE 5

(7) NUMBER OF 259.04 471.26 332.22 79.10
 NON-MARGINAL
 ACREAGE FACTORS

(8) NUMBER OF 117,671 241,798 15,094 6,114
 NON-MARGINAL
 ACREAGE TIMES
 DELIVERABILITY
 FACTORS

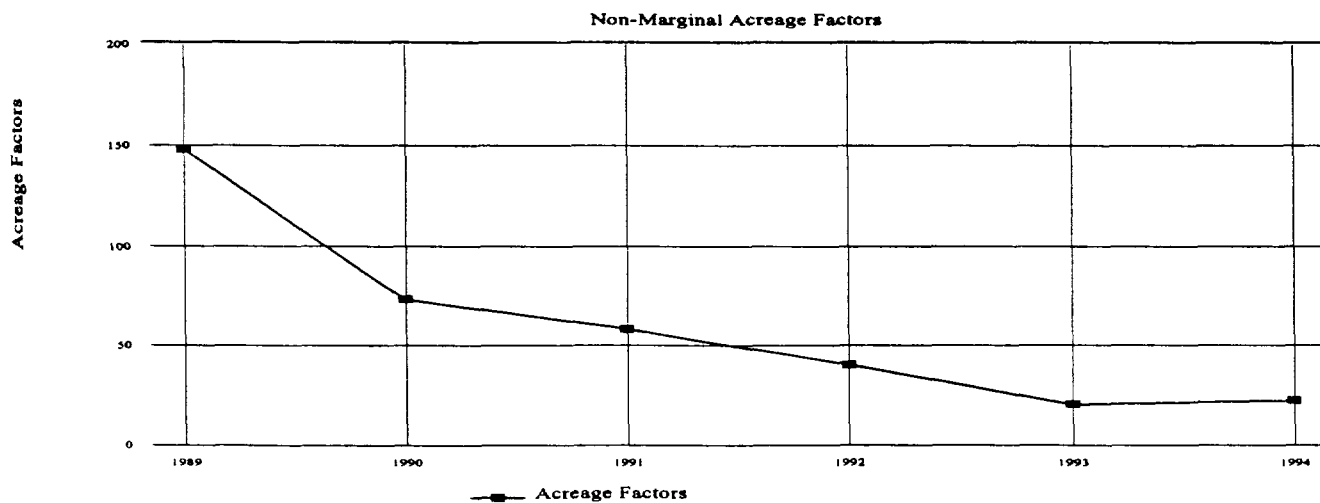
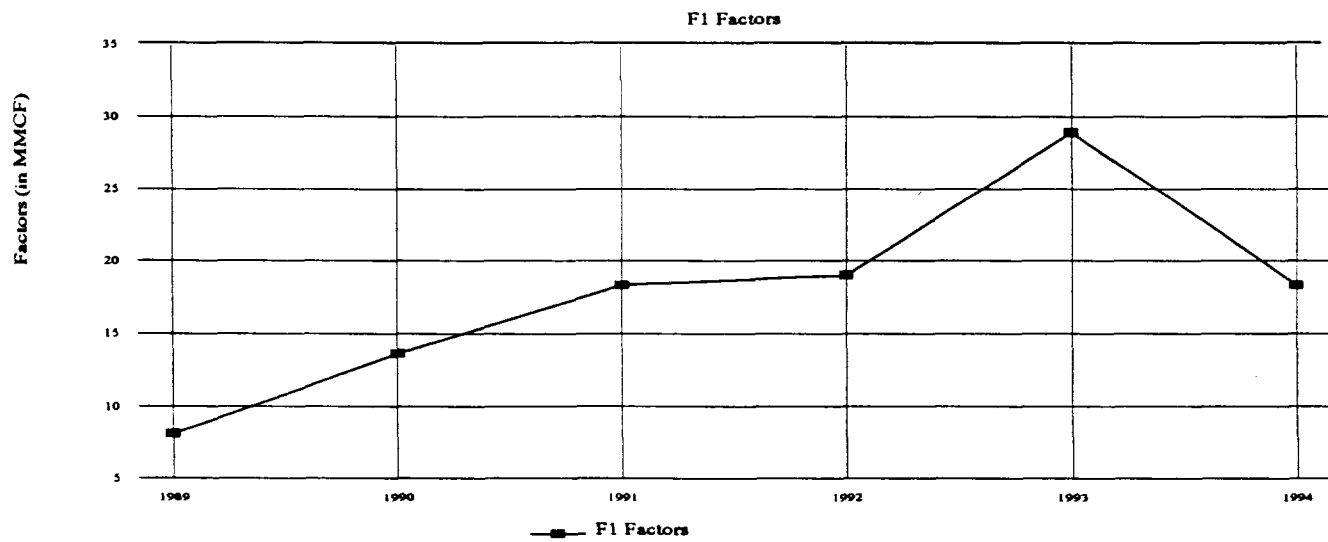
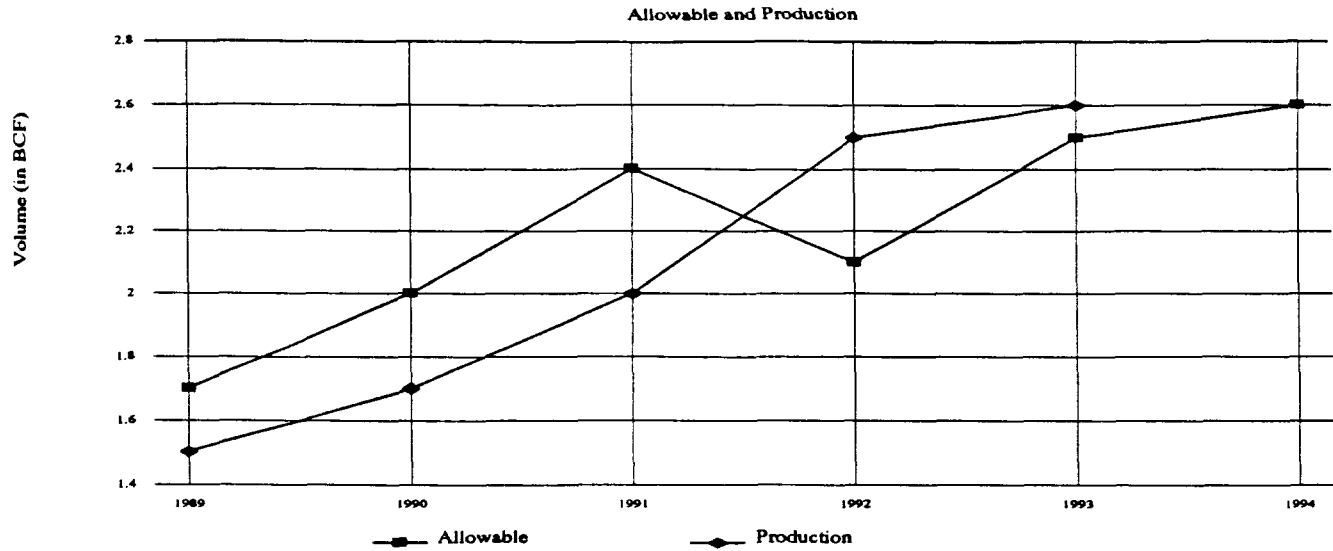
(9) MONTHLY ACREAGE 0,762 4,419 426 517
 ALLOCATE FACTOR
 APR93-SEP93

(10) MONTHLY ACREAGE 12.90 25.04 26.74 20.07
 TIMES
 DELIVERABILITY
 ALLOCATE FACTOR
 APR93-SEP93

Eumont Gas Pool

March 3, 1994

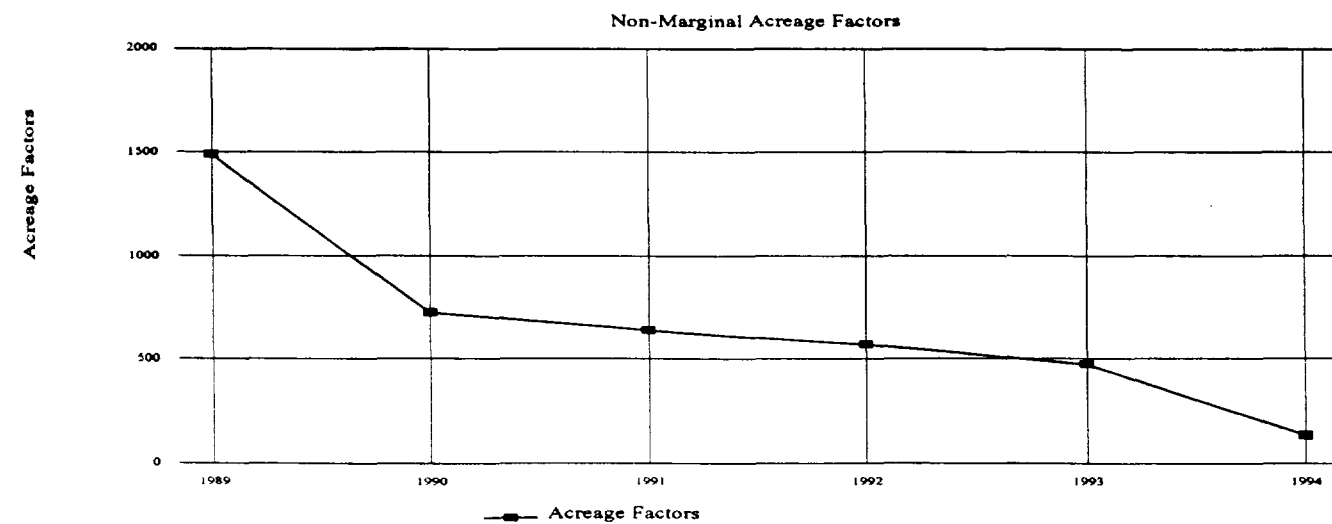
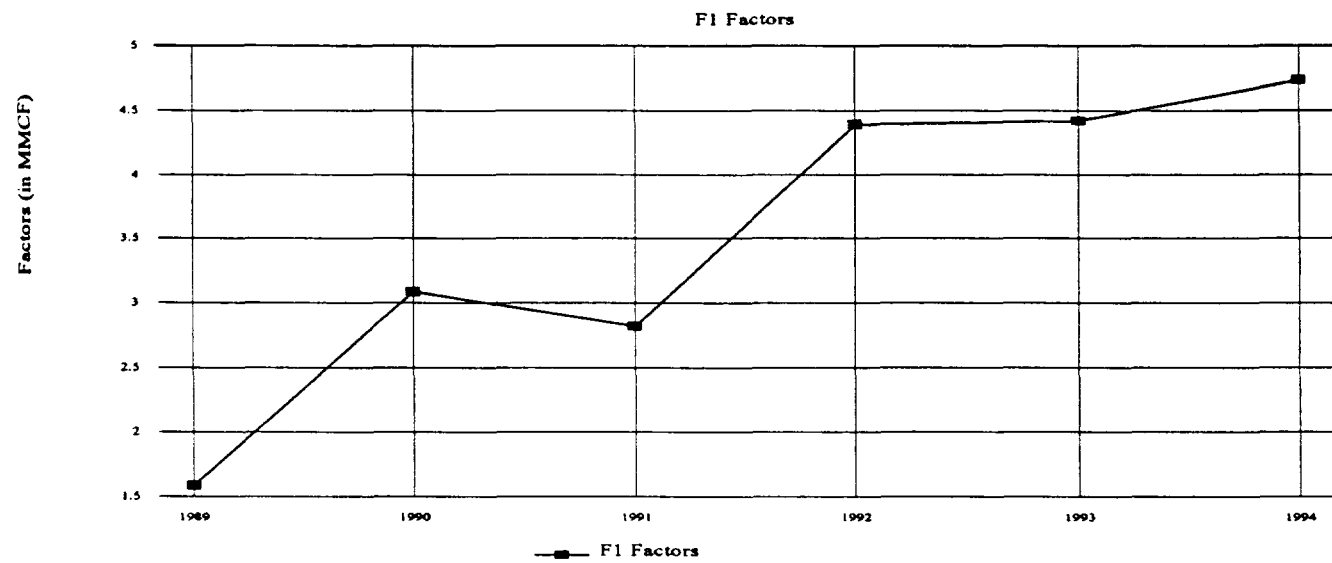
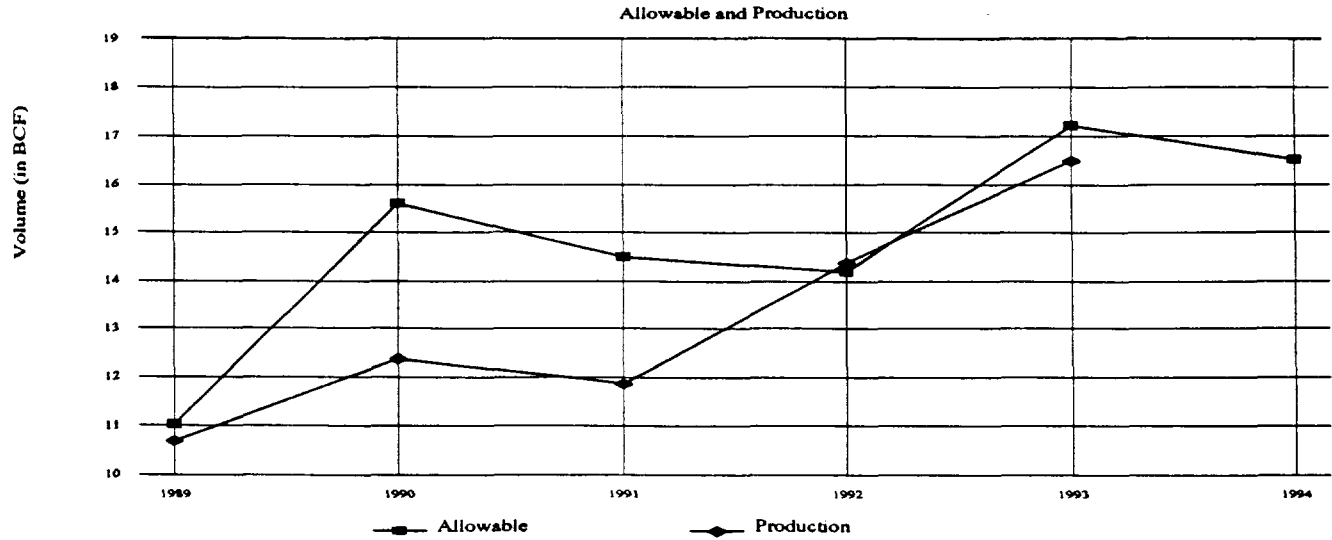
April - September Periods
Average Monthly Volumes



Blanco Mesaverde Pool

April - September Periods

Average Monthly Volumes



NEW MEXICO PRORATED AND NON-PRORATED NATURAL GAS PRODUCTION CONSOLIDATION TABLE				NEW MEXICO PRORATED AND NON-PRORATED NATURAL GAS PRODUCTION CONSOLIDATION TABLE					
Category/year	1985	1986	1987	1988	1989	1990	1991	1992	1993
Southeast:									
Prorated avg. # wells	88,727,134 1,095	55,686,250 995	70,965,380 1,010	71,902,819 987	80,140,573 987	93,041,754 1,016	95,445,257 1,055	106,876,209 995	110,710,214
Non-prorated avg. # wells	196,916,760 2,144	152,314,352 2,125	180,485,620 2,191	177,059,426 2,053	198,929,736 2,328	189,999,960 2,328	175,492,490 2,231	183,370,456 2,334	201,477,469
SE total avg. # wells	285,643,894 3,240	208,000,602 3,121	251,451,000 3,201	248,962,245 3,040	279,070,309 3,315	283,041,714 3,234	270,937,747 3,285	290,246,665 3,329	312,187,683
Northwest:									
Prorated avg. # wells	327,808,476 9,748	235,964,440 9,533	310,129,532 9,974	265,451,456 9,587	271,026,588 9,558	285,936,992 9,160	250,820,166 8,909	306,483,922 9,231	327,567,159
Non-prorated avg. # wells	75,077,724 3,928	45,540,118 3,822	49,333,672 3,849	68,890,014 3,703	102,048,848 3,762	187,753,823 3,925	273,688,030 3,991	422,296,570 4,538	540,556,968
NW total avg. # wells	402,886,200 13,676	281,504,558 13,354	359,463,204 13,823	334,341,470 13,290	373,075,436 13,320	473,690,815 13,085	524,508,196 12,900	728,780,492 13,770	868,124,127
Statewide:									
Prorated avg. # wells	416,535,610 10,843	291,650,690 10,528	381,094,912 10,984	337,354,275 10,574	351,167,161 10,545	378,978,746 10,176	346,265,423 9,964	413,360,131 10,227	438,277,373
Non-prorated avg. # wells	271,994,484 6,073	197,854,470 5,947	229,819,292 6,040	245,949,440 5,756	300,978,584 6,090	377,753,783 6,143	449,180,520 6,221	605,667,026 6,872	742,034,437
Statewide Total avg. # wells	688,530,094 16,916	489,505,160 16,475	610,914,204 17,024	583,303,715 16,330	652,145,745 16,635	756,732,529 16,319	795,445,943 16,186	1,019,027,157 17,099	1,180,311,810

CCO Exhibits A through F

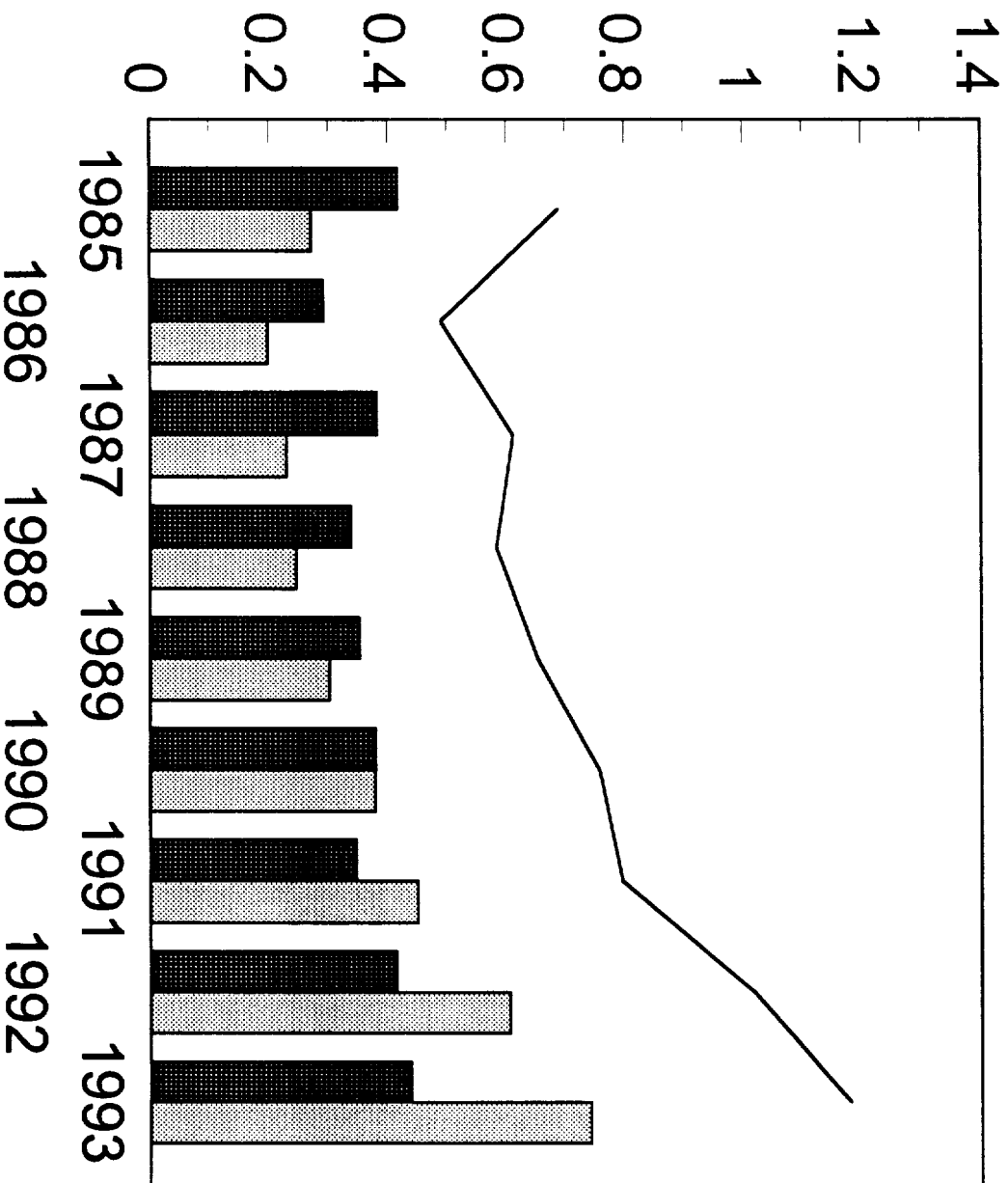
**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

Case No. 10933 Exhibit No. A

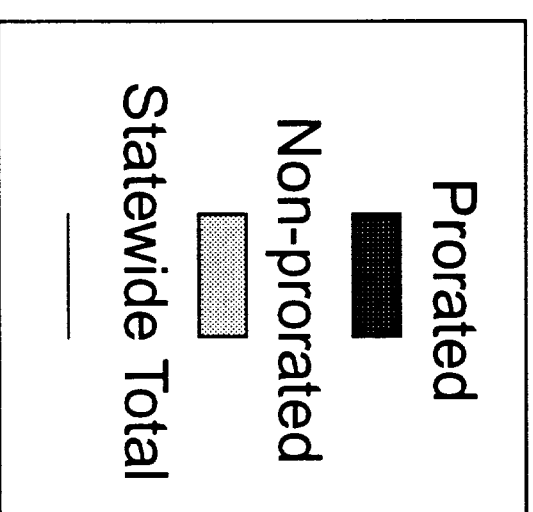
Submitted by CCO

Hearing Date 3-10-94

Production (Tcf)



Source: NMOCD, estimated 1993



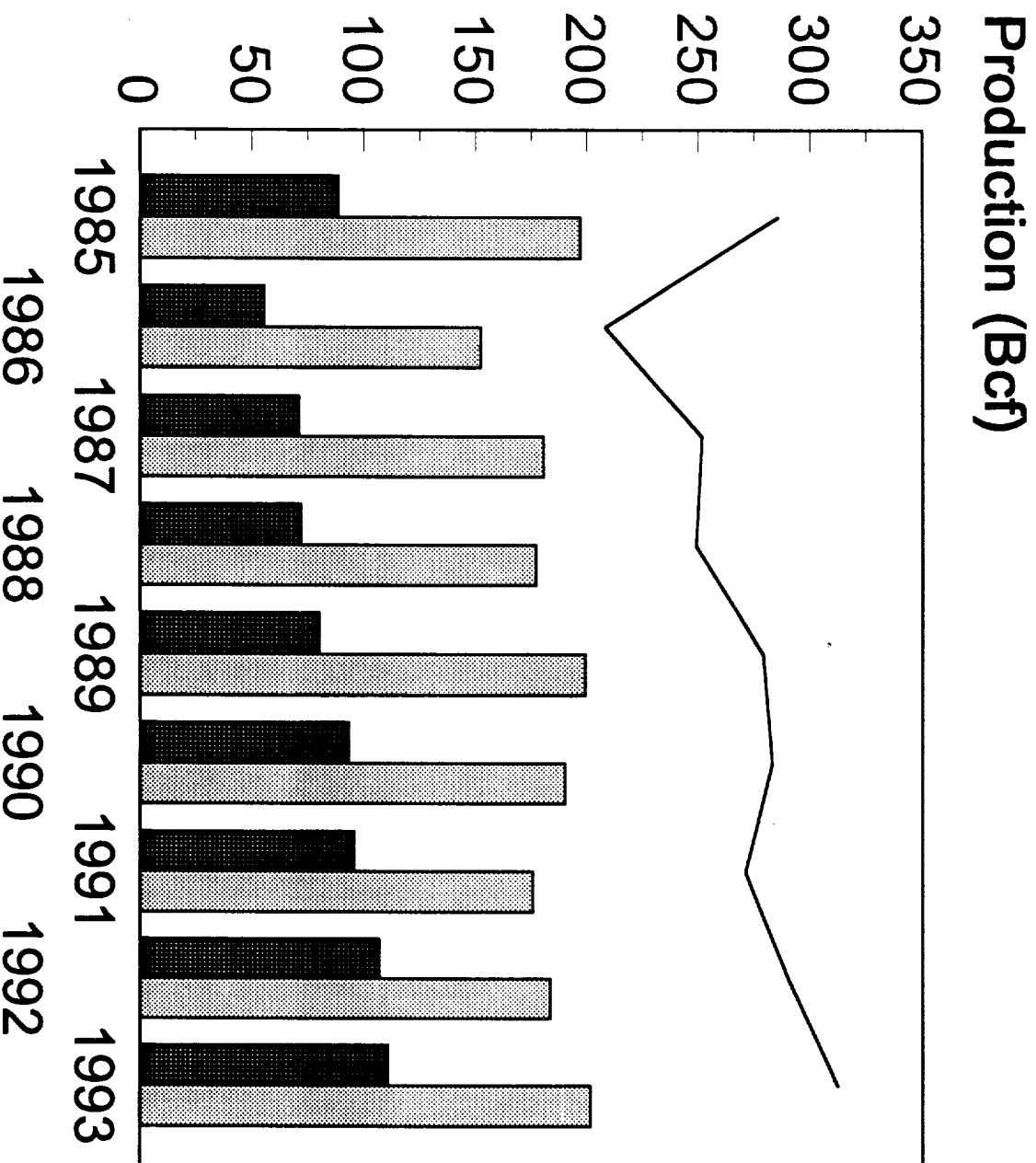
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. 8

Submitted by OCD

Hearing Date 3-10-94

Comparison of Prorated & Non-prorated Production Southeast, NM



Source: NMOCD, estimated 1993

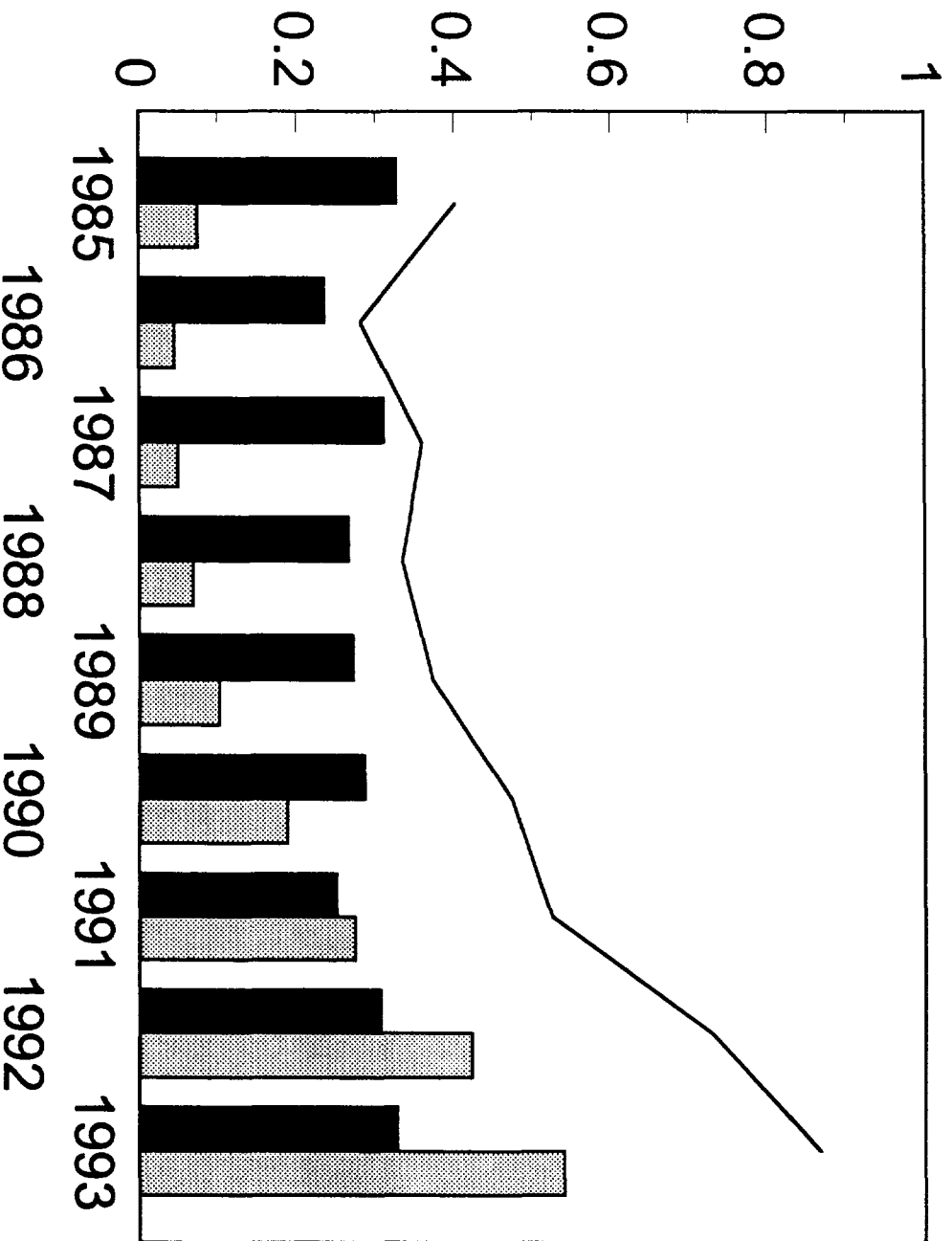
Prorated
Non-prorated
SE total

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. C
Submitted by OCD
Hearing Date 3-10-94

Comparison of Prorated & Non-prorated Production Northwest, NM

Production (Tcf)



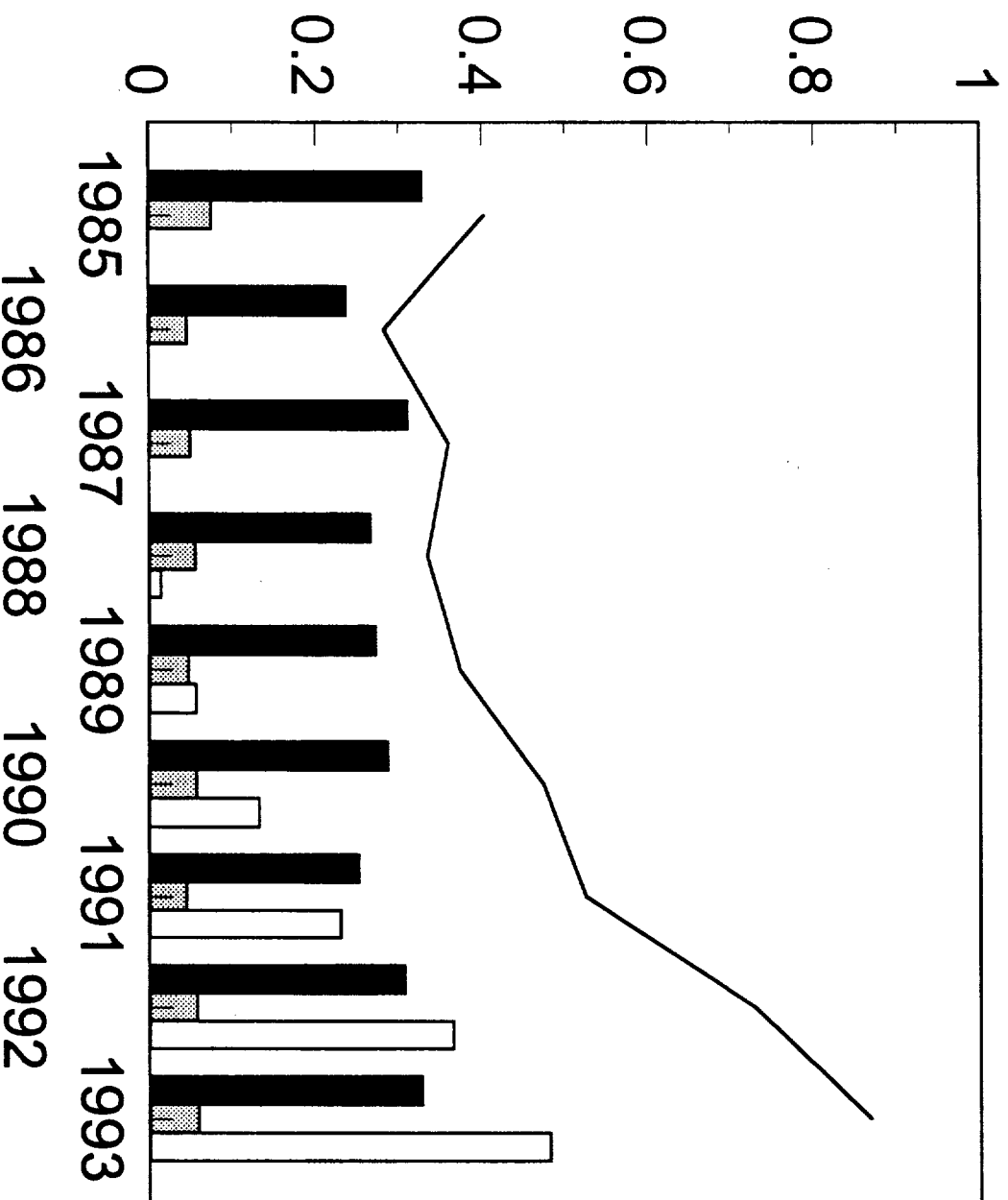
Source: NMOCD, estimated 1993

Prorated
Non-prorated
NW total

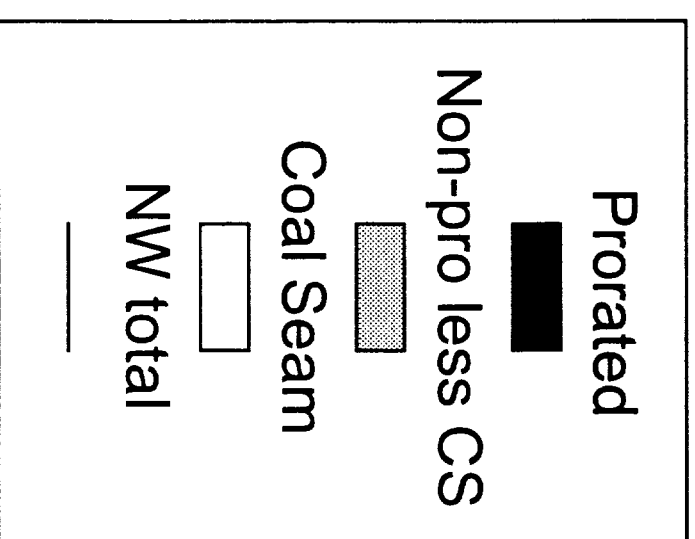
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10933 Exhibit No. 0
Submitted by OSD
Hearing Date 3-10-94

Prorated, Non-prorated vs. Coal Seam Production Northwest, NM

Production (Tcf)



Source: NMOCD, estimated 1993



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. E

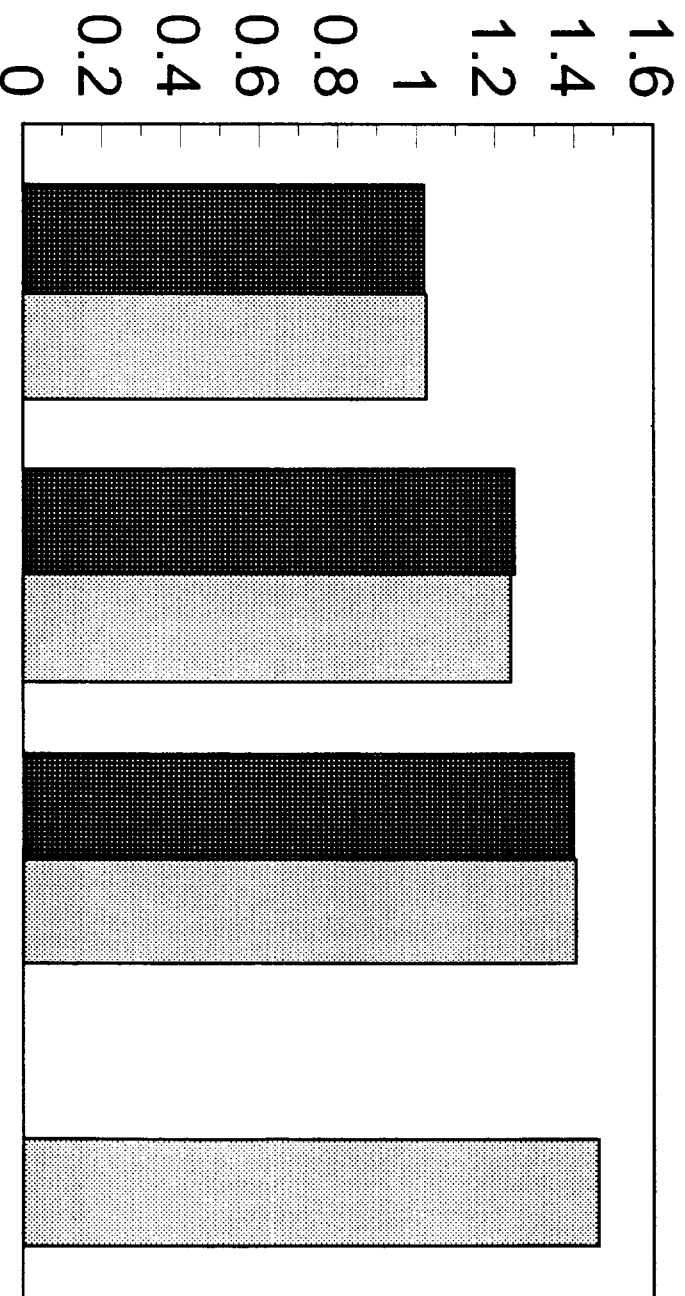
Submitted by OCD

Hearing Date 3-10-94

Natural Gas Production

Projected vs. Actual

Production (Tcf)



	1991	1992	1993	1994
Actual	1.019	1.248	1.396	
Projected	1.025	1.237	1.403	1.461

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. F
Submitted by OCB
Hearing Date 3-10-94

**CASE NO. 10933
EUMONT GAS POOL**

Submitted by: Conoco Inc.

Hearing Date: Mar 10, 1994

*Conoco Exhibits 1 through
13
Complete Set*

OIL CONSERVATION DIVISION

MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE

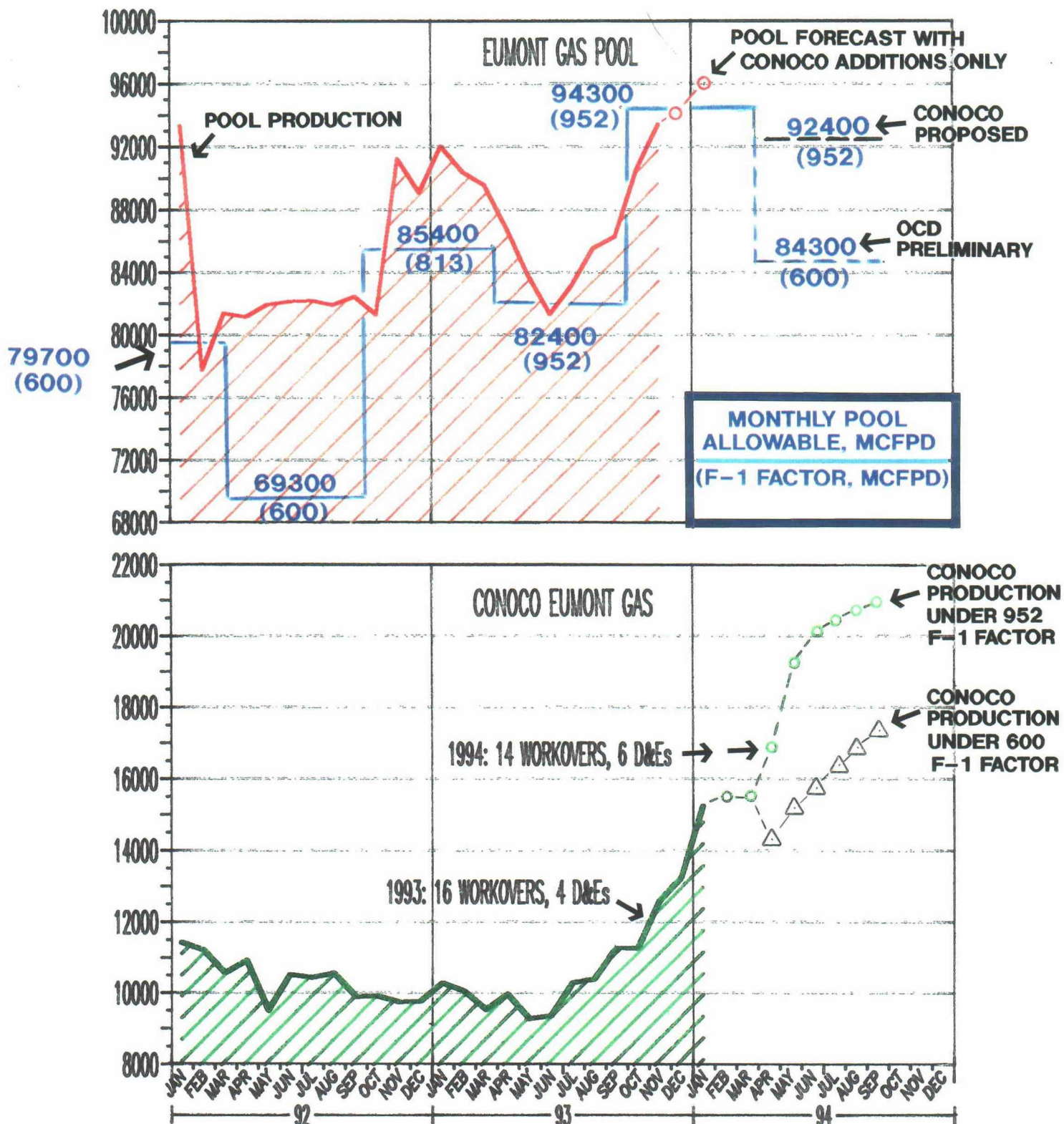
EUMONT PRORATED GAS POOL

Allocation Period	Average Monthly Pool Sales	Pool Adjustments	Monthly Pool Allowable	Monthly Pool Allowable MCFPD	Monthly Marginal Pool Allowable	Monthly Non- Marginal Pool Allowable	Number of Non- Marginal Acreage Factors	Monthly Acreage Allocation Factor	Daily Acreage Allocation Factor MCFPD
10/91-3/92	2,218,783	335,789	2,423,399	79,700	1,385,423	1,037,976	56.72	18,300	600
4/92-9/92	1,936,303	169,191	2,105,494	69,300	1,364,710	740,784	40.48	18,300	600
10/92-3/93	2,596,563	0	2,596,563	85,400	2,225,600	370,963	15.00	24,730	813
4/93-9/93	2,505,122	0	2,505,122	82,400	1,933,788	571,334	19.75	28,928	952
10/93-3/94	2,695,638	173,874	2,869,512	94,300	2,218,542	650,970	22.50	28,932	952
OCD Preliminary 4/94-9/94	2,563,744	0	2,563,744	84,300	2,156,185	407,559	22.60	18,300	600
Conoco Proposed 4/94-9/94	2,563,744	246,214	2,809,958	92,400	2,156,185	653,773	22.60	28,928	952

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. 1
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL DAILY PRODUCTION, (MCFD)
 CONOCO EUMONT GAS PRODUCTION, (MCFD)



BEFORE A COMMISSION HEARING BY
 THE OIL CONSERVATION DIVISION

EXHIBIT NO. **2**
 CASE NO.: 10933
 Submitted by: Conoco Inc.
 Hearing Date: Mar 10, 1994

PROPOSED 600 MCFD ALLOWABLE:
POTENTIAL IMPACT ON CONOCO EUMONT GAS PRODUCTION
(APR 94 - SEPT 94)

Proration Unit	Acreage Factor	Current Production (MCFD)	Proposed OCD Allow. (MCFD)	Curtailed Production (MCFD)
State D	2.00	1,782	1,200	-582
State C-20	2.00	2,004	1,200	-804
State D Com.	1.25	981	750	-231
Lockhart B (#10)	1.00	952	600	-352
Meyer B-8	1.00	952	600	-352
<u>State C-16</u>	<u>0.25</u>	<u>238</u>	<u>150</u>	<u>-88</u>
Total	7.50	6,909	4,500	<u>-2,409</u>

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. 3
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

PROPOSED 600 MCFD ALLOWABLE:

POTENTIAL IMPACT ON CONOCO DRILLING PROGRAM

(APR 94 - SEPT 94)

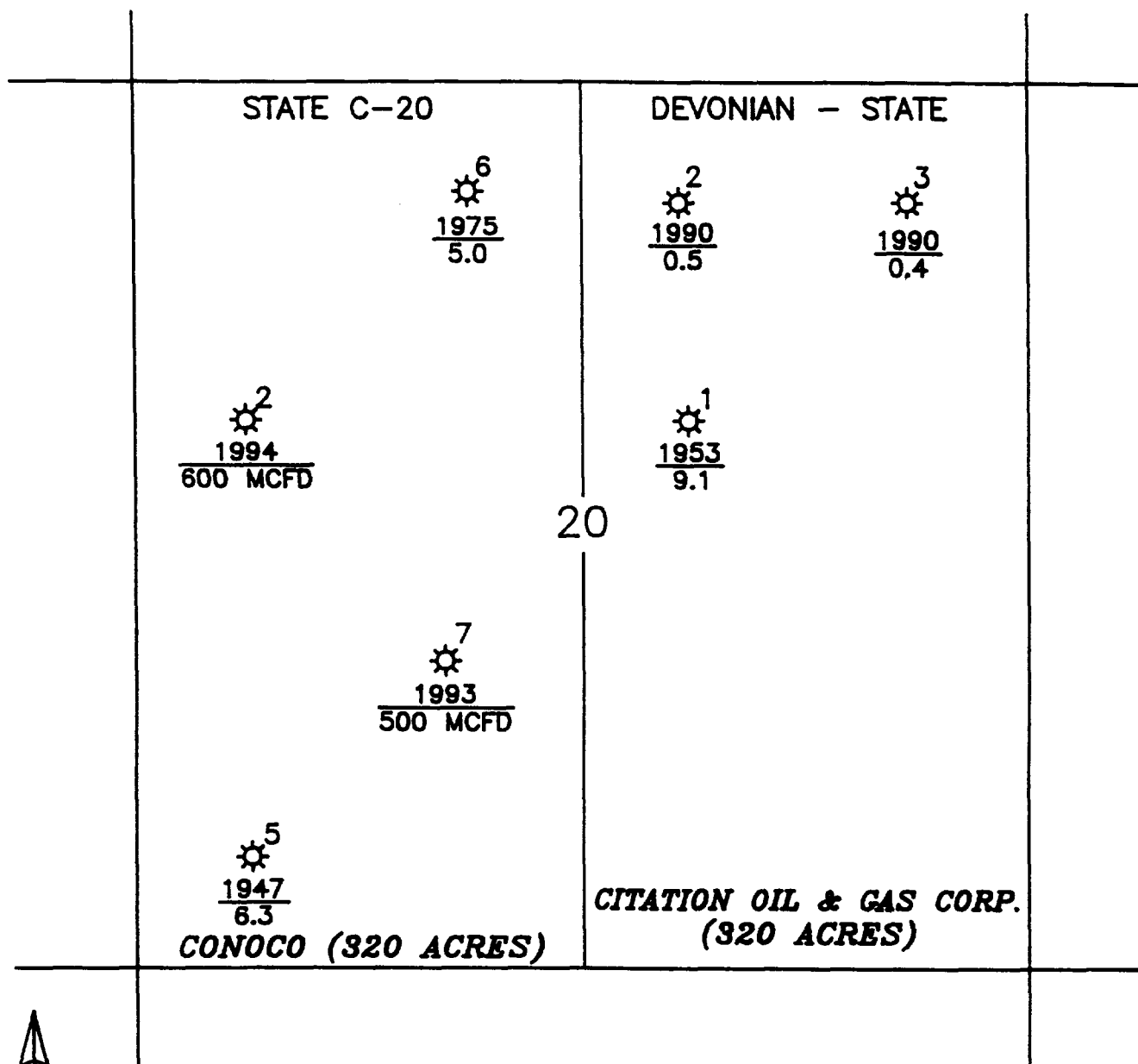
Drilling Well	Estimated Rate (MCFD)	Economic Incentive @ Current Allow. (MCFD)	Economic Incentive @ Proposed Allow. (MCFD)	Viable Under Proposed Allow? (MCFD)
State J-2 No. 14	750	1,700	644	Yes
State J-2 No. 15	750	950	0	No
Meyer B-4 No. 30	500	992	200	No
Meyer A-1 No. 21	500	1,442	386	Yes
Lockhart A-18 No. 8	500	718	190	No
<u>Meyer B-18 No. 5</u>	<u>500</u>	502	150	No
Total	3,500			

Summary: Proposed 600 MCFD allowable could defer the drilling of 4 wells (2,250 MCFD)

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **4**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL
SEC. 20, T21S, R36E
LEA CO., NM



LEGEND:

COMPLETION DATE

CUMULATIVE GAS PRODUCTION, BCF

☼ PRODUCING GAS WELL

SCALE:

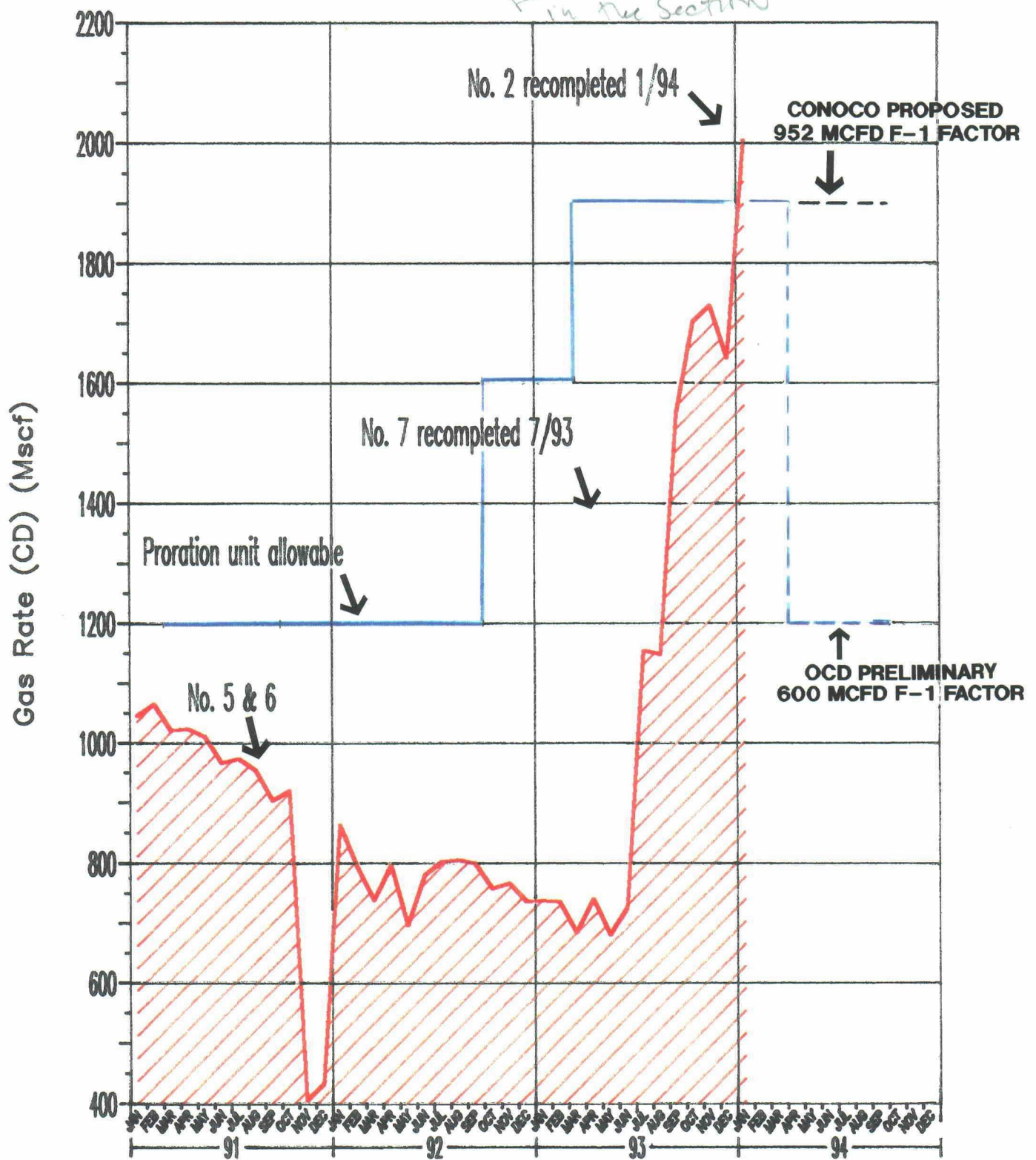
1" = 1000'

PL1110

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **5**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

CONOCO STATE C-20 EUMONT GAS POOL
(WELL NO. 2, 5, 6 and 7)



BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **6**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

Conoco Inc.

Eumont Development Program

Recompletion Economic Analysis

Well:	State C-20 No. 2
Location:	Sec. 20, Unit E, T21S, R36E
Project Description:	Recomplete in Eumont
Proration Unit Size:	320 acres
Allocation Factor:	2.00
Lease Production (12/93):	1675 MCFD (State C-20 No. 5, 6 and 7)
Project cost:	\$230,000 (Two CO2/sand frac stimulations)
Gas Price:	\$2 per MCF
Net Revenue Interest:	87.5%

Allowable:	952 MCFD
Proration Unit Allowable:	1904 MCFD (952 MCFD x 2.00)
Economic Incentive:	229 MCFD (1904 MCFD - 1675 MCFD)
Incentive Cash Flow:	\$146,273/year (229 MCFD x \$2.0/MCF x .875 x 365)
<u>Project Payout:</u>	<u>1.57 years</u> (\$230,000/\$146,273)

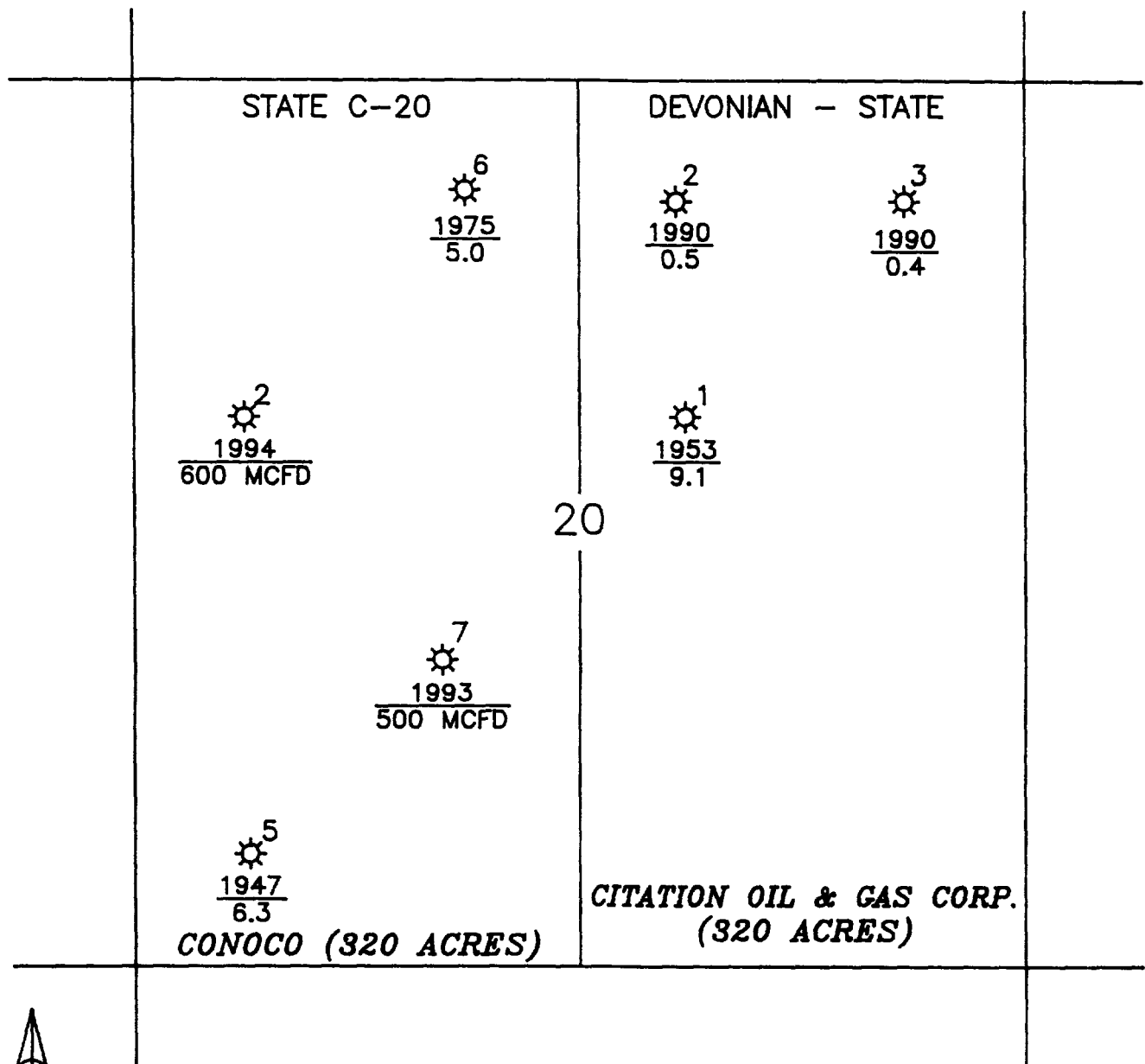
Proposed Allowable:	600 MCFD
Proration Unit Allowable:	1200 MCFD (600 MCFD x 2.00)
<u>Economic Incentive:</u>	<u>None</u> (1675 MCFD > 1200 MCFD allowable)

Results:	
Work Completed:	Jan 18, 1994
Current Well Production:	600 MCFD (State C-20 No. 2)
Lease Production (1/93):	2004 MCFD (State C-20 No. 2, 5, 6, 7)
Additional Reserves:	1.9 BCF
Notes:	Upper Eumont (Yates and upper Seven Rivers) completion was deferred on this project, since lower Eumont completion (lower Seven Rivers and Queen) resulted in lease production exceeding allowable.

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. 7
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL
SEC. 20, T21S, R36E
LEA CO., NM



LEGEND:

COMPLETION DATE
CUMULATIVE GAS PRODUCTION, BCF

☼ PRODUCING GAS WELL

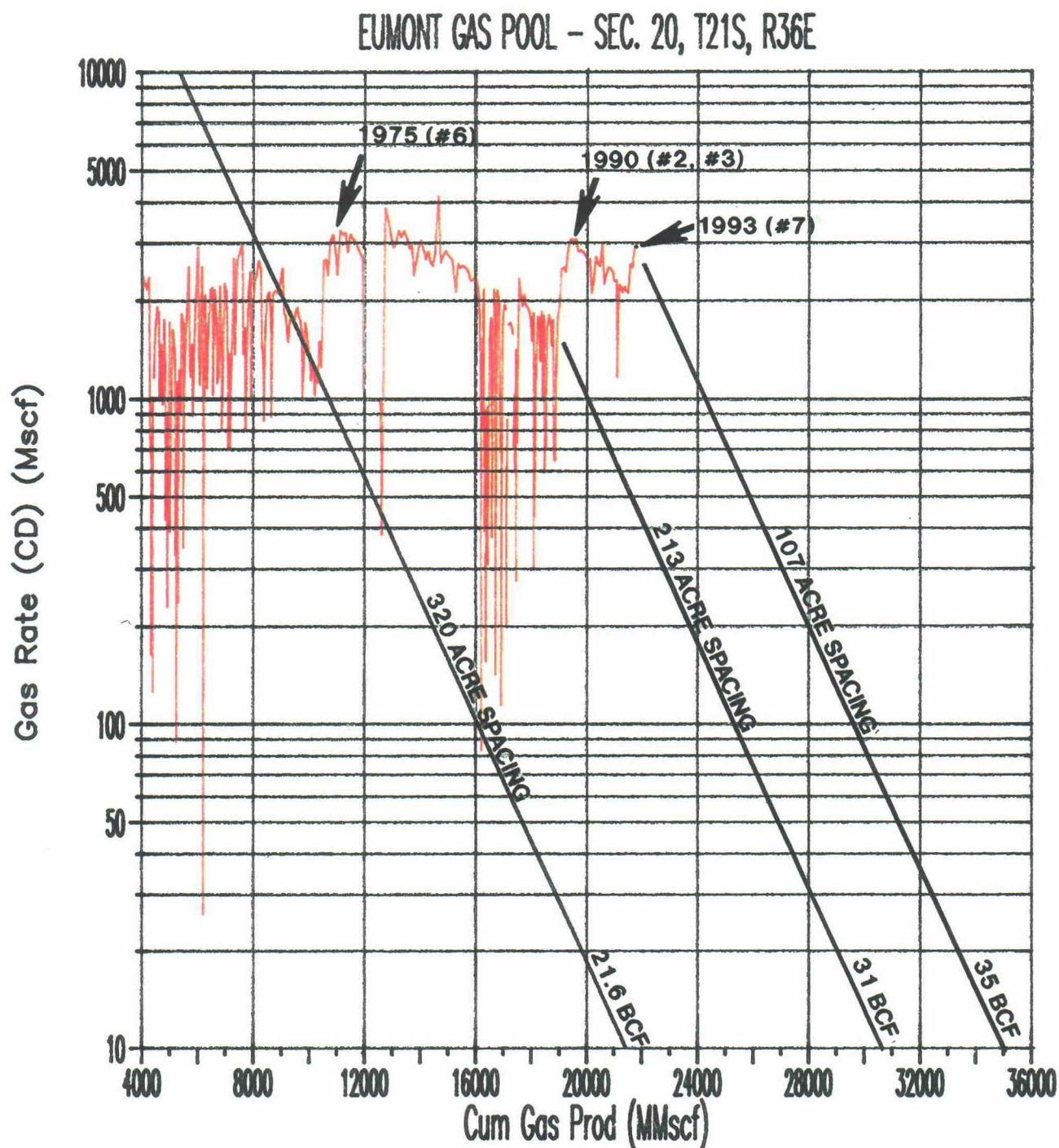
SCALE:

1" = 1000'

PL1110

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **8**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994



Gas Rate vs Cum. Gas slope: $-1.8642707e-007$ 1/scf

Current Gas rate: 2922.00 Mscf/d

Economic Limit: 10.000 Mscf/d

Cumulative Gas Produced: 21781.20 MMscf

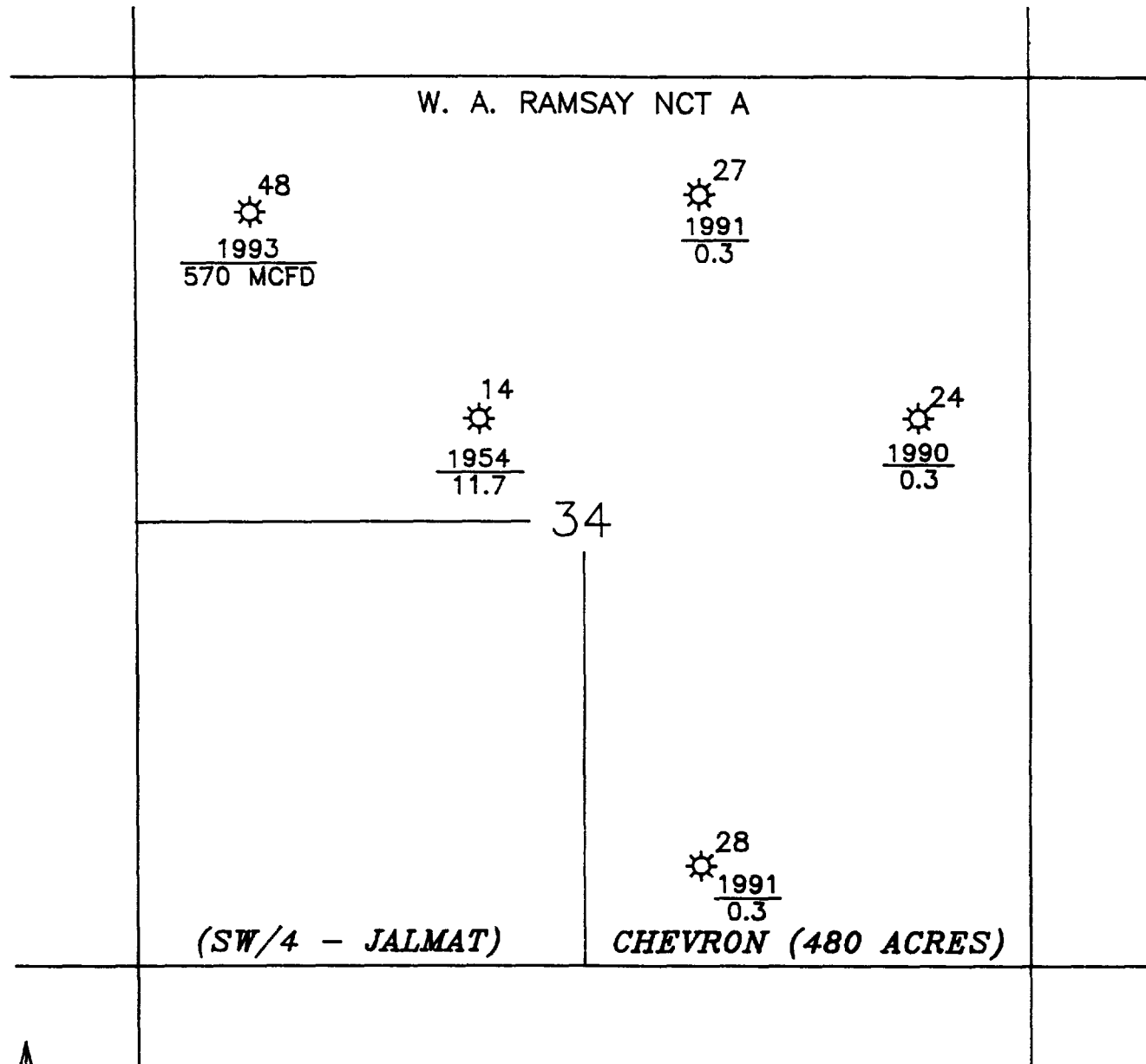
Remaining Reserves: 13226.0 MMscf

Total Reserves: 35007.2 MMscf

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **9**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL
SEC. 34, T21S, R36E
LEA CO., NM



LEGEND:

COMPLETION DATE

CUMULATIVE GAS PRODUCTION, BCF

☼ PRODUCING GAS WELL

SCALE:

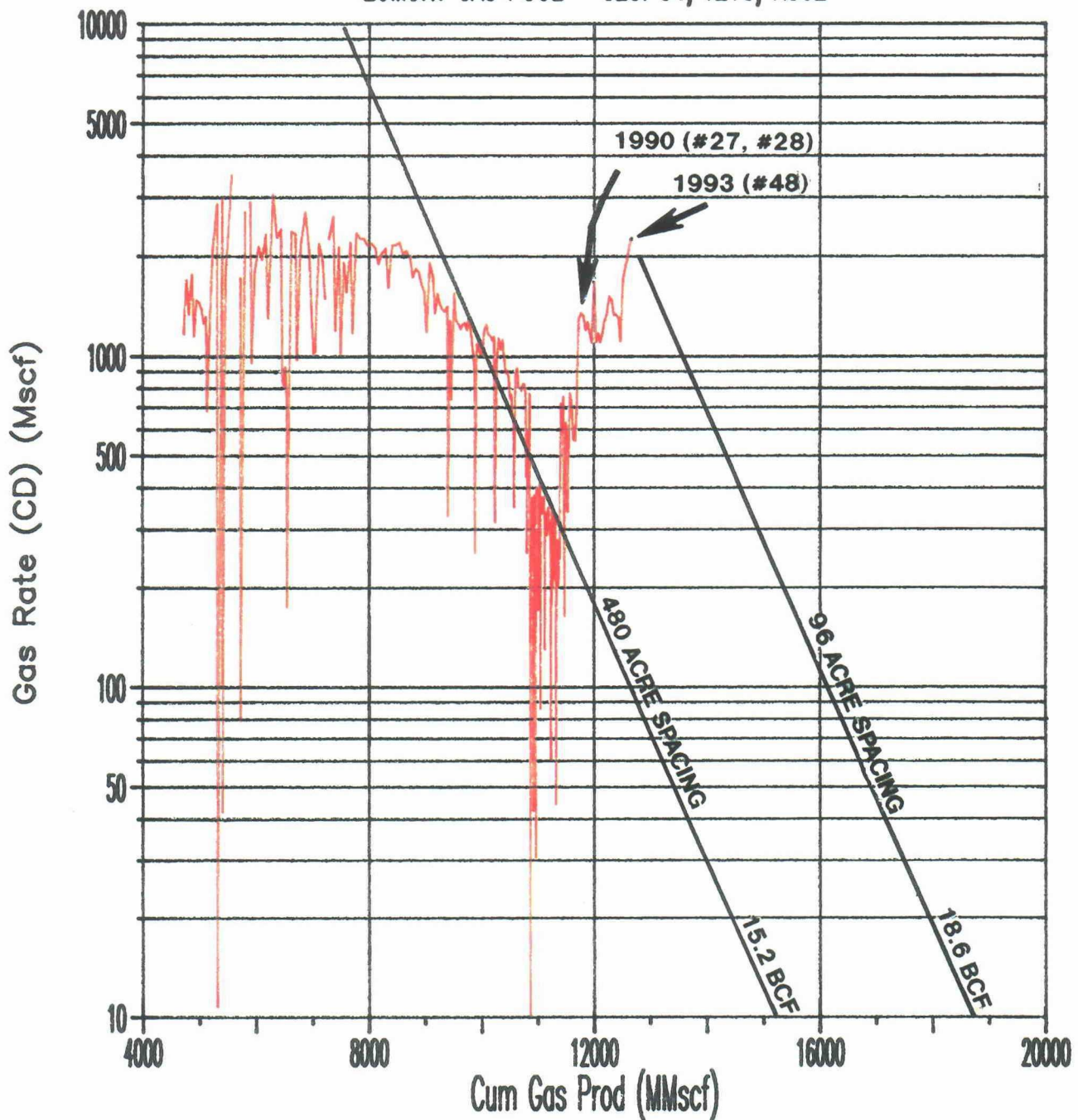
1" = 1000'

PL1111

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **10**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL - SEC. 34, T21S, R36E



Gas Rate vs Cum. Gas slope: $-3.8991786e-007$ 1/scf

Current Gas rate: 2250.20 Mscf/d

Economic Limit: 10.000 Mscf/d

Cumulative Gas Produced: 12655.94 MMscf

Remaining Reserves: 6032.6 MMscf

Total Reserves: 18688.5 MMscf

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **11**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL
SEC. 35, T21S, R36E
LEA CO., NM

W. A. RAMSAY NCT A

¹³
☼
1979
0.9

²⁰
☼
1956
9.4

35

¹⁰
☼
1991
1.5

¹²
☼
1982/1991
2.1

⁷
☼
1973
0.8

³
☼
1978
1.5

CHEVRON (640 ACRES)



LEGEND:

COMPLETION DATE

CUMULATIVE GAS PRODUCTION, BCF

☼ PRODUCING GAS WELL

SCALE:

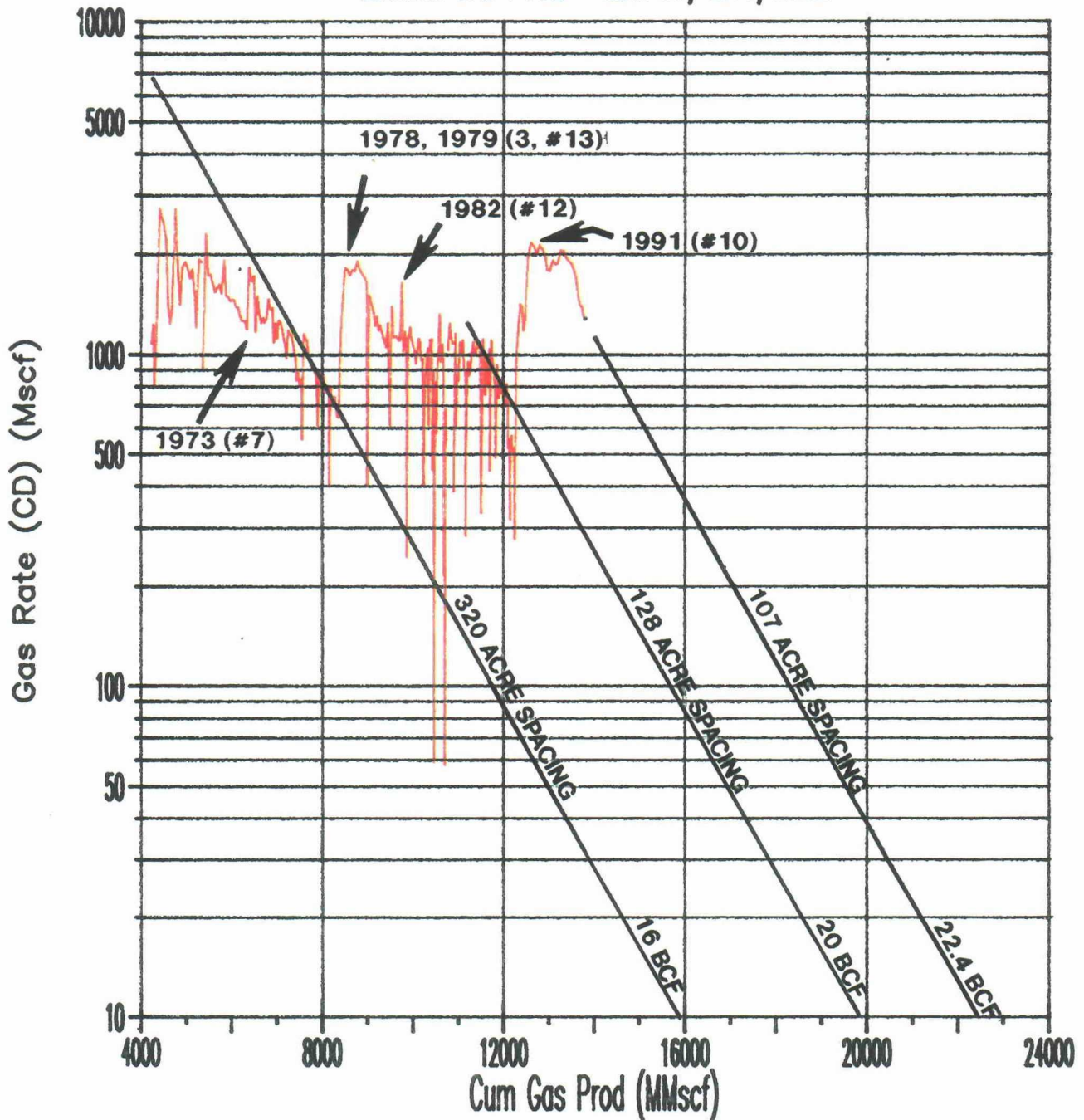
1" = 1000'

PL1110

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **12**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994

EUMONT GAS POOL - SEC. 35, T21S, R36E



Gas Rate vs Cum. Gas slope: $-2.4368464e-007$ 1/scf

Current Gas rate: 1282.10 Mscf/d

Economic Limit: 10.000 Mscf/d

Cumulative Gas Produced: 13796.70 MMscf

Remaining Reserves: 8650.2 MMscf

Total Reserves: 22446.9 MMscf

BEFORE A COMMISSION HEARING BY
THE OIL CONSERVATION DIVISION

EXHIBIT NO. **13**
CASE NO.: 10933
Submitted by: Conoco Inc.
Hearing Date: Mar 10, 1994



Oryx Energy Company
13155 Noel Road
Dallas TX 75240-5067
PO Box 2880
Dallas TX 75221-2880
214 715 4000

March 8, 1994

Mr. William J. Lemay
Chairman and Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: NMOCC Allowable Hearing Scheduled March 10, 1994
Proposed Indian Basin Upper Penn Pool Allowable

Dear Mr. Lemay:

Oryx Energy Company respectfully requests an acreage allocation factor of 197,000 mcf per month for the Indian Basin Upper Penn Pool covering the period of April 1994 – September 1994. This reflects the same allocation factor that the Commission granted in the past three allowable periods.

Oryx estimates its wells can produce 890,720 mcf per month in the April 1994 through September 1994 period provided that each well produces the full term at its current rate. As the attached memo states, our gas marketing division assures us that they have a market for the proposed volume.

Therefore, Oryx urges the Commission to approve the allocation factor of 197,000 mcf per month in its upcoming Indian Basin allowable hearing.

Sincerely,

Rick W. Hall
Operations Engineer

RWH/srt

Attachment

*Oryx
Exhibits 1 through 5
Complete set*

ORYX ENERGY COMPANY-BEFORE	
EXAMINER, <u>Commission</u>	
N.M. OIL CONSERVATION DIVISION	
CASE NO. <u>10933</u>	DATE
EXHIBIT NO. <u>1</u>	<u>03 10 94</u>

INDIAN BASIN UPPER PENN POOL GAS PRODUCTION COMPARISON

WINTER PERIOD

WELL	GAS PRODUCTION SCHEDULE OCT 93 - MAR 94	PRODUCTION ESTIMATE OCT 93 - MAR 94
Bright Federal Gas Com #1	168,111	167,155
Bunnell Federal #2	56,587	51,994
Conoco State Gas Com #1	197,019	196,394
Federal 28 #1	197,019	209,938
West Indian Basin Unit Gas Com #1	186,645	171,431
TOTAL	805,381	796,912

ORYX ENERGY COMPANY-BEFORE	
EXAMINER, <u>Commissioner</u>	
N.M. OIL CONSERVATION DIVISION	
CASE NO. <u>10933</u>	DATE <u>03.10.94</u>
EXHIBIT NO. <u>2</u>	

INDIAN BASIN UPPER PENN POOL GAS PRODUCTION COMPARISON

SUMMER PERIOD

WELL	GAS PRODUCTION SCHEDULE APR 93 - SEPT 93	ACTUAL PRODUCTION APR 93 - SEPT 93	PRODUCTION CAPABILITY APR 94 - SEPT 94
Bright Federal Gas Com #1	146,844	165,661	197,600
Bunnell Federal #2	58,883	59,535	54,720
Conoco State Gas Com #1	196,495	183,274	212,800
Federal 28 #1	196,495	191,693	243,200
West Indian Basin Unit Gas Com #1	155,304	177,846	182,400
TOTAL	754,021	778,009	890,720

ORYX ENERGY COMPANY-BEFORE	
EXAMINER, <u>Commission</u>	
N.M. OIL CONSERVATION DIVISION	
CASE NO. <u>10933</u>	DATE <u>03.10.94</u>
EXHIBIT NO. <u>3</u>	



ORyx

ORyx Energy Company

Indian Basin Field (Upper Penn Pool)



ORyx ENERGY COMPANY-BEFORE	
EXAMINER, <u>Commission</u>	
N.M. OIL CONSERVATION DIVISION	
CASE NO. <u>10933</u>	DATE <u>03.10.94</u>
EXHIBIT NO. <u>4</u>	



Oryx Energy Company
13155 Noel Road
Dallas TX 75240-5067
PO Box 2880
Dallas TX 75221-2880
214 715 4000

March 8, 1994

Mr. William J. LeMay, Director
Oil Conservation Division
P. O. box 2088
Sante Fe, NM 87504

RE: Commission Hearing
Pro-Rated Gas Allowable
Indian Basin Plant

Dear Mr. LeMay:

Oryx Gas Marketing Company currently markets approximately 28,000 MCF per day of its equity residue gas production from the Indian Basin Gas Plant. Oryx Gas Marketing Company has not experienced any capacity problems in marketing this gas. We have been able to market the gas to the West Coast, the Mid-West, and the Texas Gulf Coast. This flexibility greatly enhances our ability to market the gas and also ensures competitive pricing. We do not anticipate any change in market demand over the next six months.

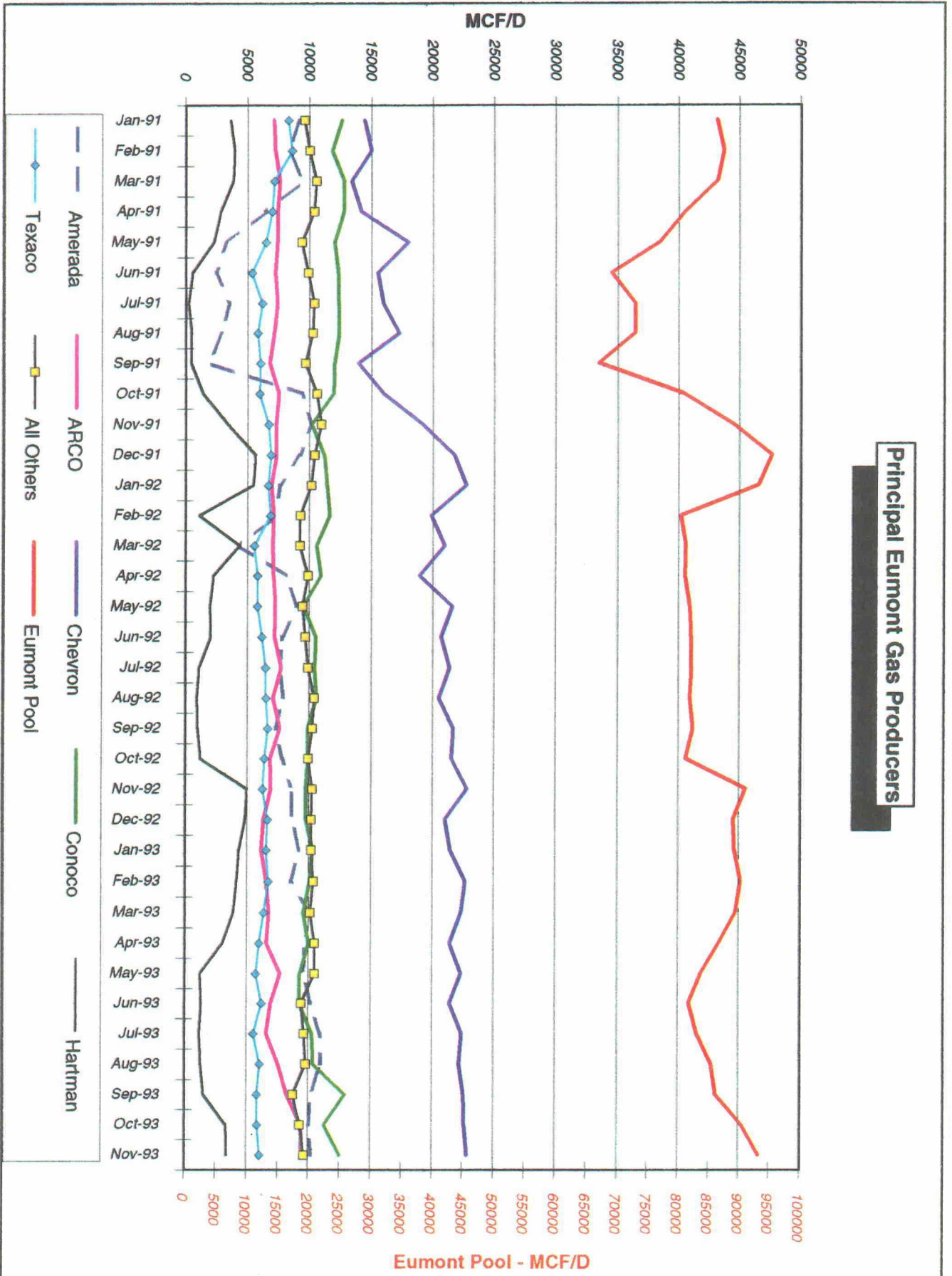
Oryx Gas Marketing Company welcomes the opportunity to service our customers with additional gas deliverability at the Indian Basin Plant.

Yours very truly,

Tom Strickland
Gas Supply Representative

ORYX ENERGY COMPANY-BEFORE	
EXAMINER, <u>Commission</u>	
N.M. OIL CONSERVATION DIVISION	
CASE NO. <u>10933</u>	DATE
EXHIBIT NO. <u>5</u>	<u>03 10 94</u>

Principal Eumont Gas Producers



Chevron Exhibits 1E through 4E Complete Set

**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

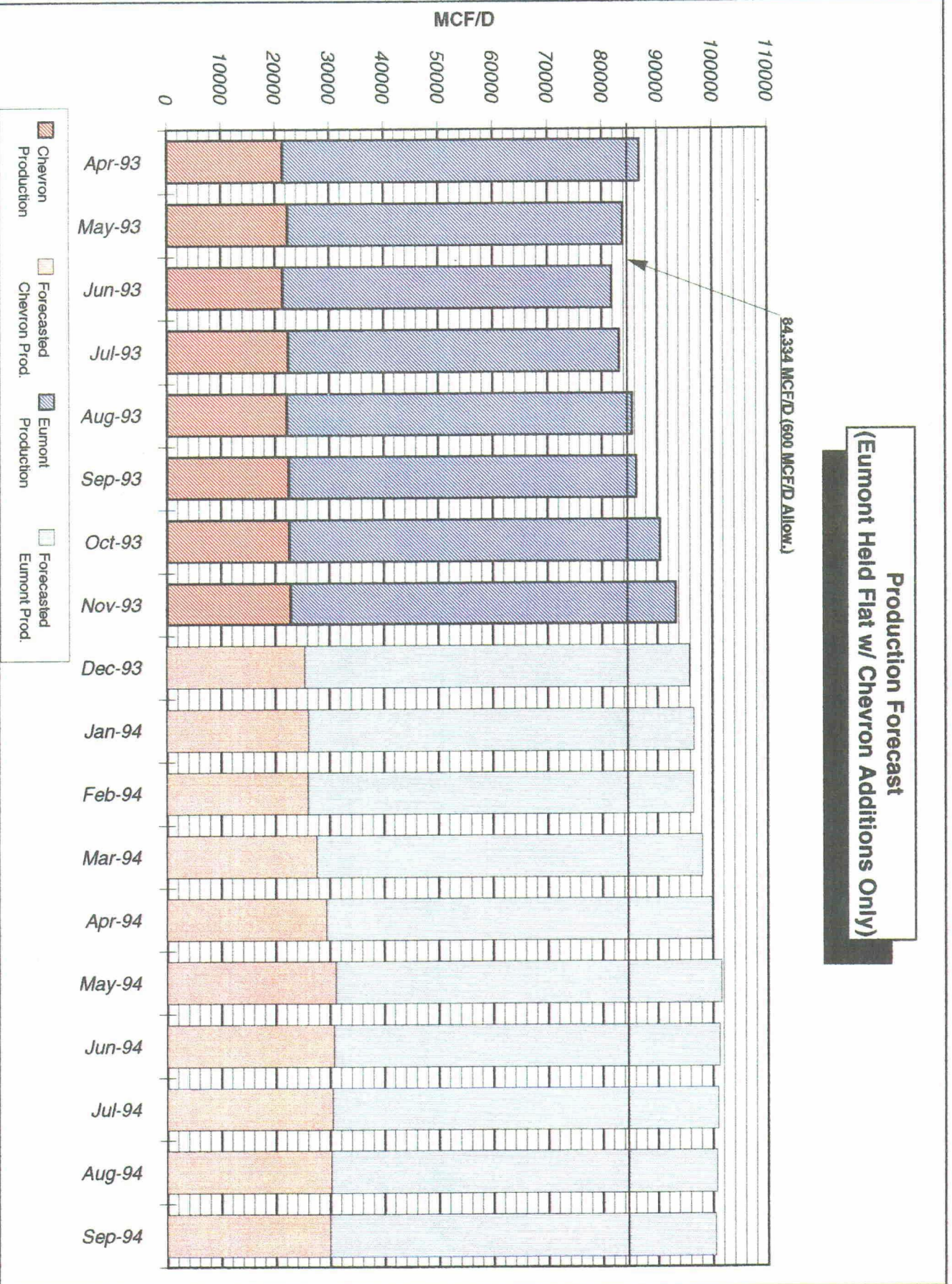
Case No. 10933 Exhibit No. 1E

Submitted by: Chevron

Hearing Date: March 10, 1994



Chevron



**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

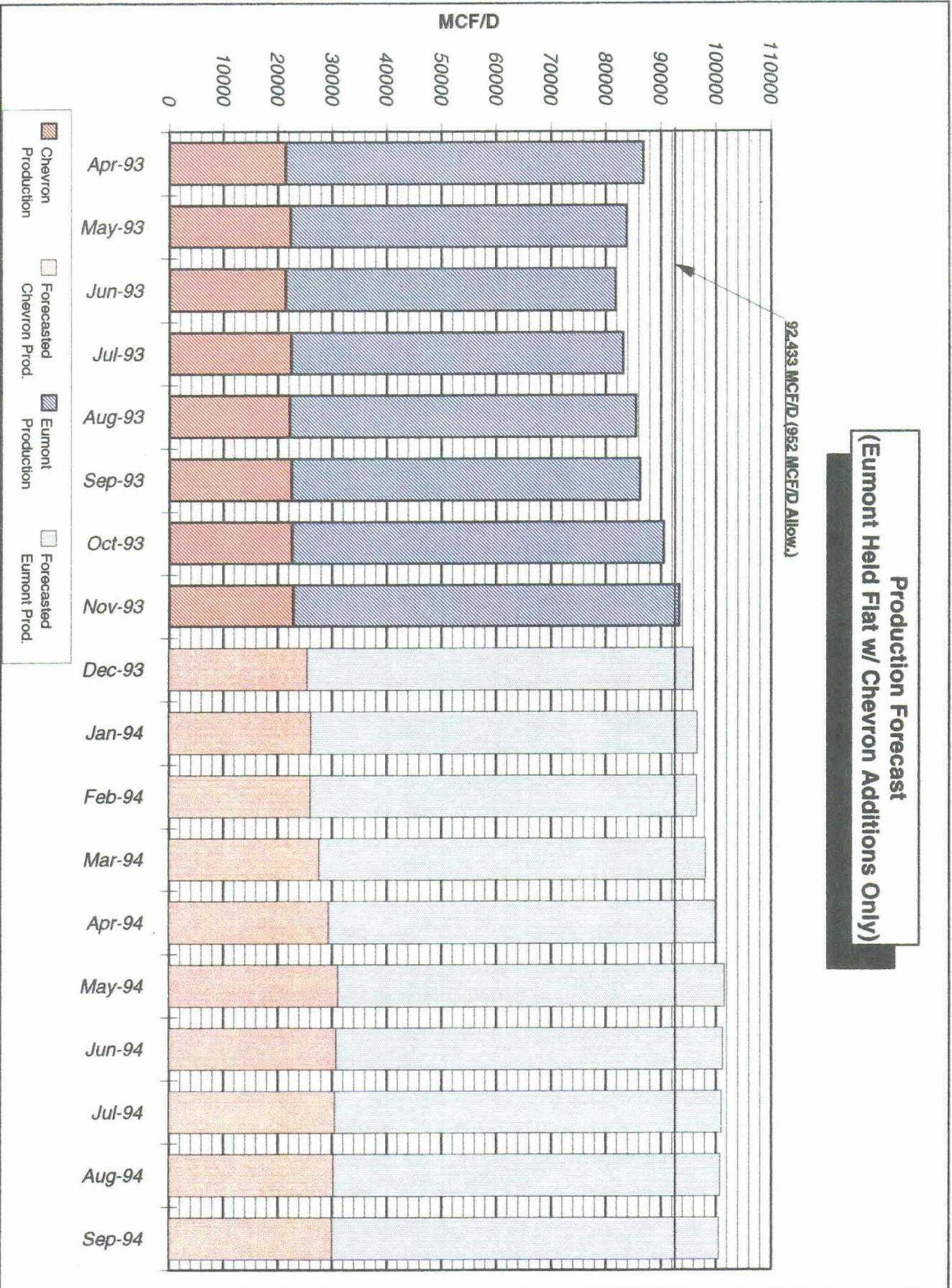
Case No. 10933 Exhibit No. 2E

Submitted by: Chevron

Hearing Date: March 10, 1994



Chevron



**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

Case No. 10933 Exhibit No. 3E

Submitted by: Chevron

Hearing Date: March 10, 1994

Southeast New Mexico Eumont (Pro Gas) Pool Gas Allowable Comparison
--

	OCD Preliminary Allowable MCF	Chevron Proposed MCF
1) Avg. Monthly Pool Sales APR 93 - SEP 93	2,563,744	2,563,744
3) Adjustments	0	246,214
4) Monthly Pool Allowable APR 94 - SEP 94 (Line 1 + Line 3)	2,563,744	2,809,958
5) Monthly Marginal Pool Allowable APR 93 - SEP 93	2,156,185	2,156,185
6) Monthly Non-Marginal Pool Allowable APR 94 - SEP 94 (Line 4 - Line 5)	407,559	653,773
7) Number of Non-Marginal Acreage Factors	22.60	22.60
8) Monthly Acreage Allocate Factor APR 93 - SEP 94 (Line 6 / Line 7)	18,300	28,928

**BEFORE THE
OIL CONSERVATION COMMISSION**
Santa Fe, New Mexico

Case No. 10933 Exhibit No. 4E

Submitted by: Chevron

Hearing Date: March 10, 1994



Chevron U.S.A. Production Company

**Southeast New Mexico
Indian Basin Upper Penn. Pool
Gas Allowable Comparison**

	OCD Preliminary Allowable MCF	Chevron Proposed MCF
1 Avg. Monthly Pool Sales APR 93 - SEP 93	3,722,866	3,722,866
3 Adjustments	0	169,000
4 Monthly Pool Allowable APR 94 - SEP 94 (Line 1 + Line 3)	3,722,866	3,891,866
5 Monthly Marginal Pool Allowable APR 93 - SEP 93	2,934,038	2,934,038
6 Monthly Non-Marginal Pool Allowable APR 94 - SEP 94 (Line 4 - Line 5)	788,828	957,828
7 Number of Non-Marginal Acreage Factors	4.86	4.86
8 Monthly Acreage Allocate Factor APR 94 - SEP 94 (Line 6 / Line 7)	162,310	197,084

Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 1 (IB)
Submitted By Chevron USA
Hearing Date March 10, 1994

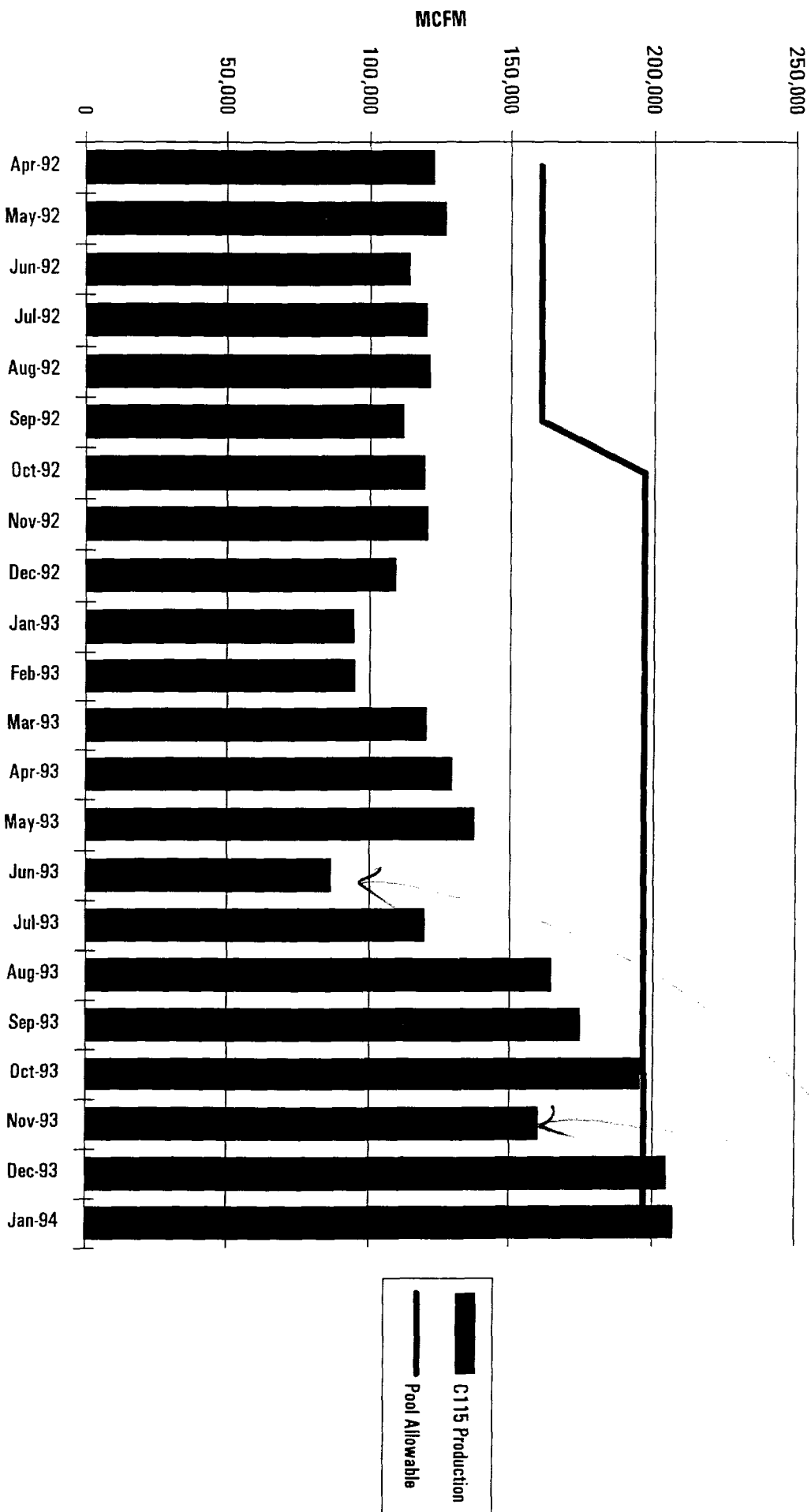
*Chevron Exhibits (IB)
1 through 11
Complete Set*



Chevron U.S.A. Production Company

Bogle Flats Unit #1

Plot

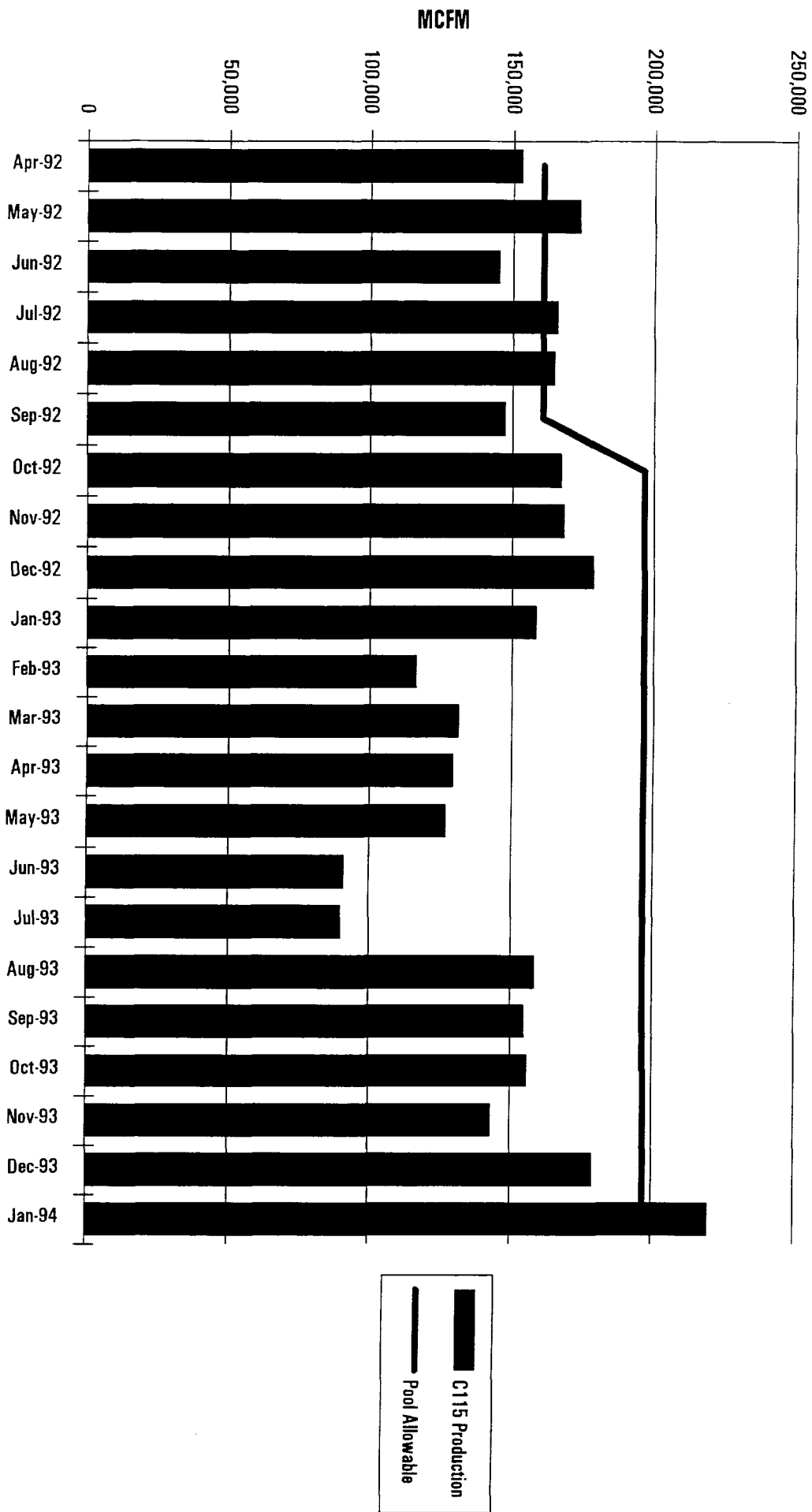


Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 2 (CB)
Submitted By Chevron USA
Hearing Date March 10, 1994



Chevron U.S.A. Production Company

Bogle Flats Unit #2

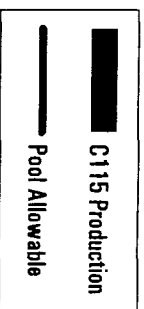
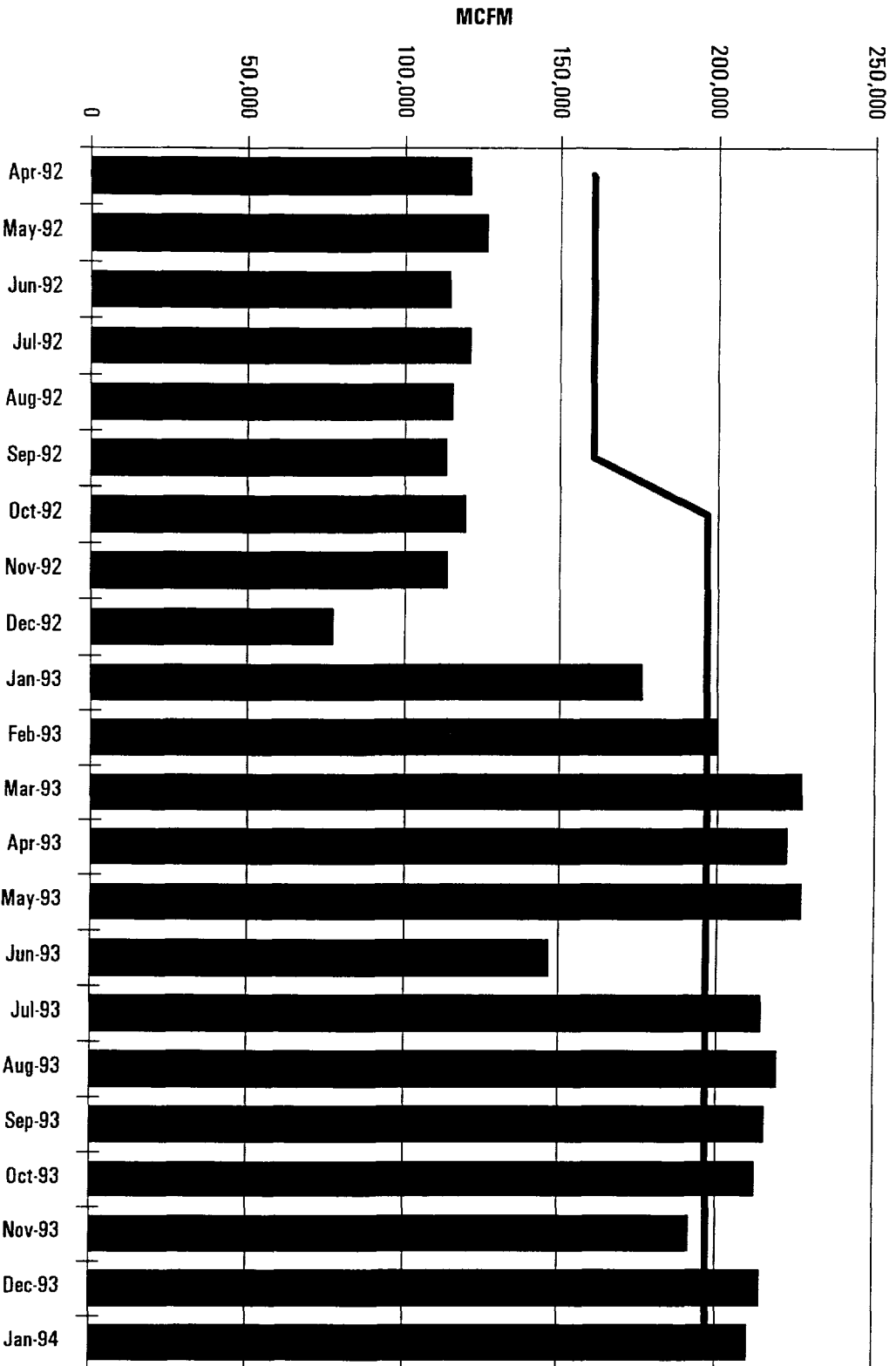


Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 3 (TB)
Submitted By Chevron USA
Hearing Date : March 10, 1994



Chevron U.S.A. Production Company

Bogle Flats Unit #3

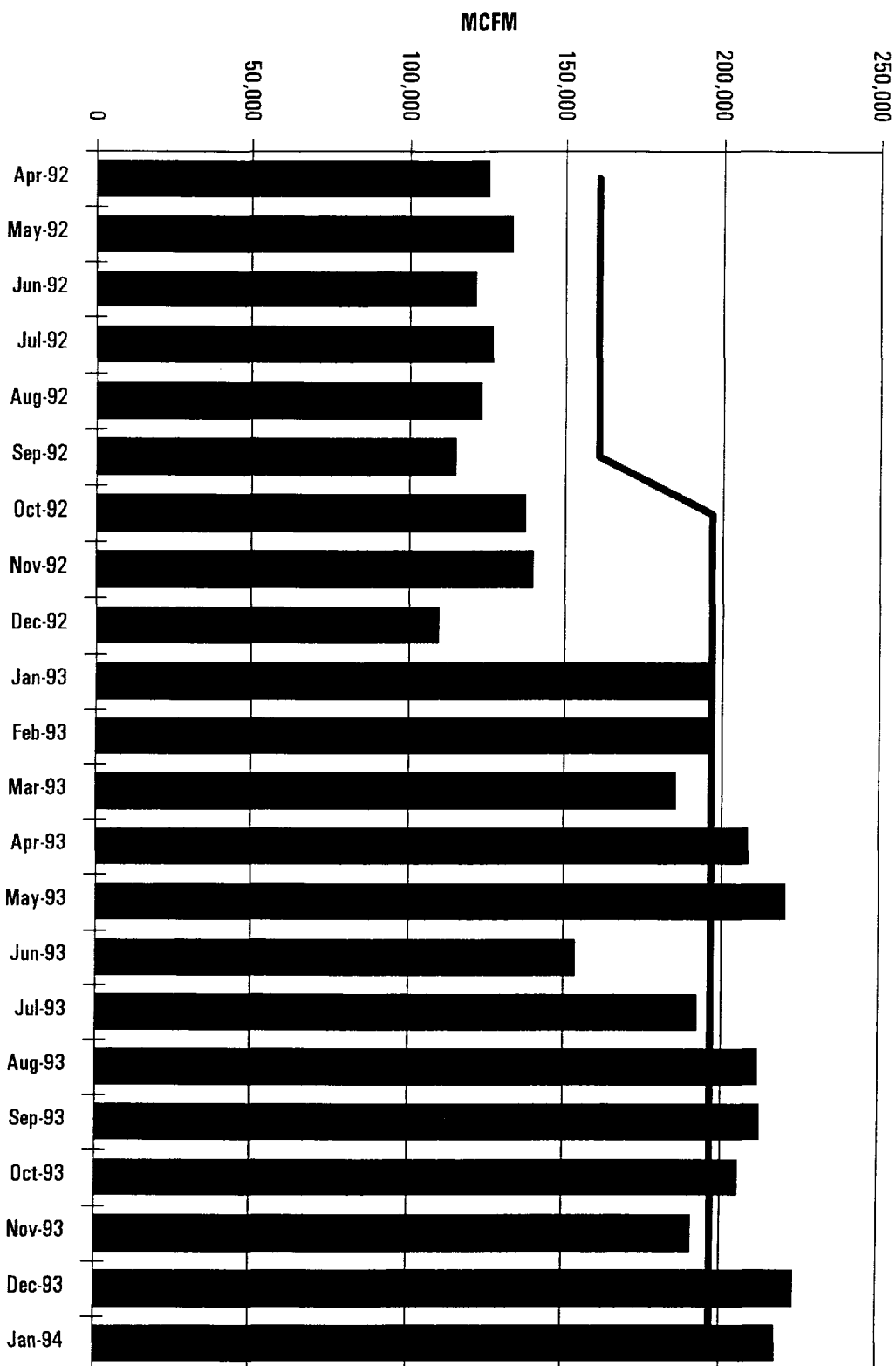


Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 4 (CB)
Submitted By Chevron USA
Hearing Date March 10, 1994

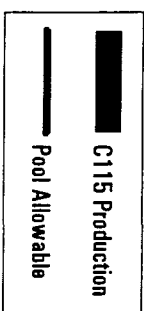


Chevron U.S.A. Production Company

Bogle Flats Unit #4



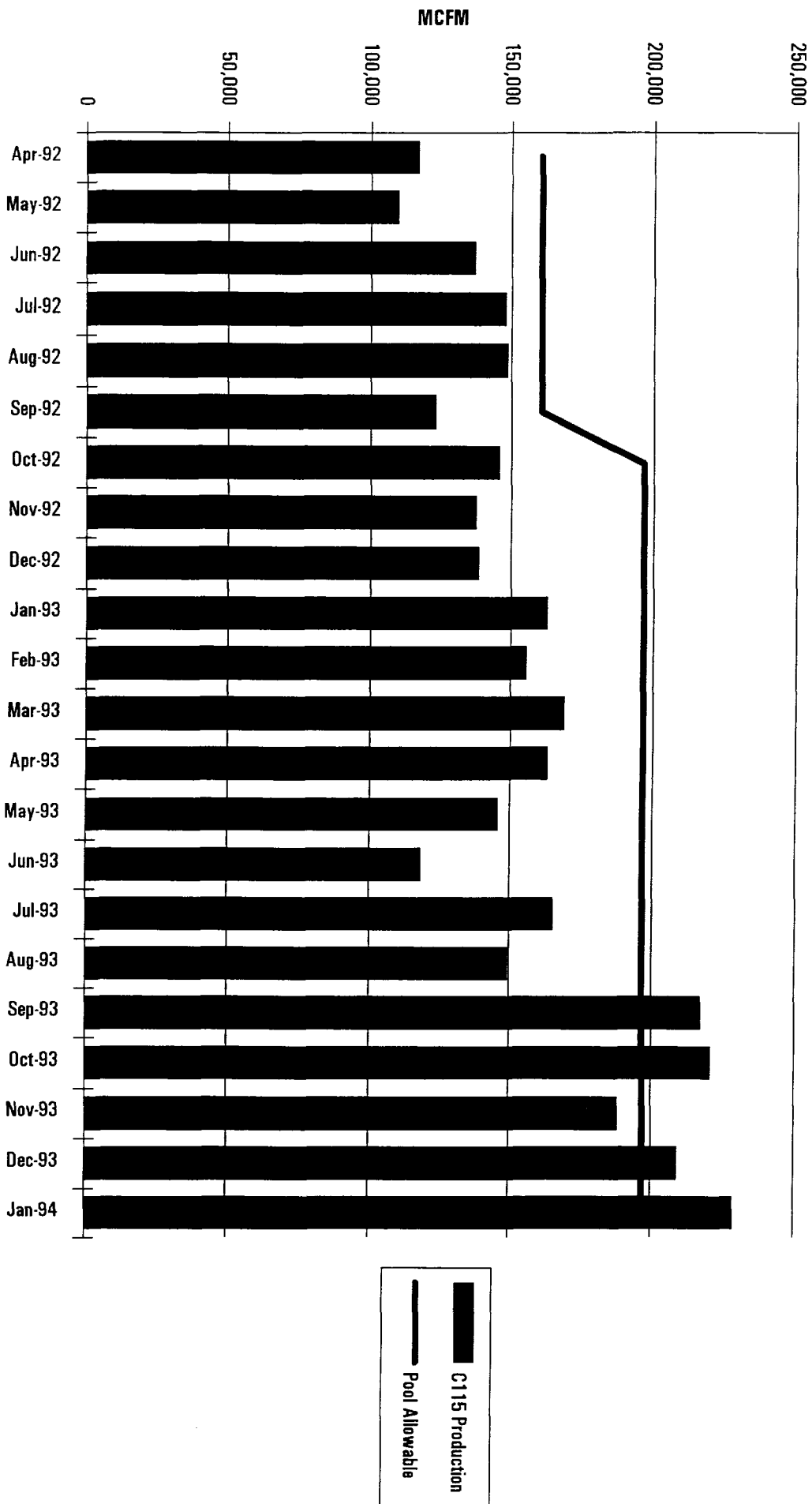
Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 5 (TB)
Submitted By Chevron USA
Hearing Date March 10, 1994





Chevron U.S.A. Production Company

Helbing Federal Gas Com #1



Before The Oil Conservation Commission
Santa Fe, New Mexico

Case No. 10,933

Exhibit # 6 (IB)

Submitted By Chevron USA

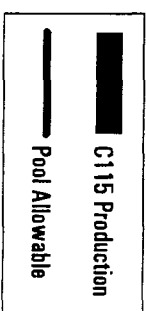
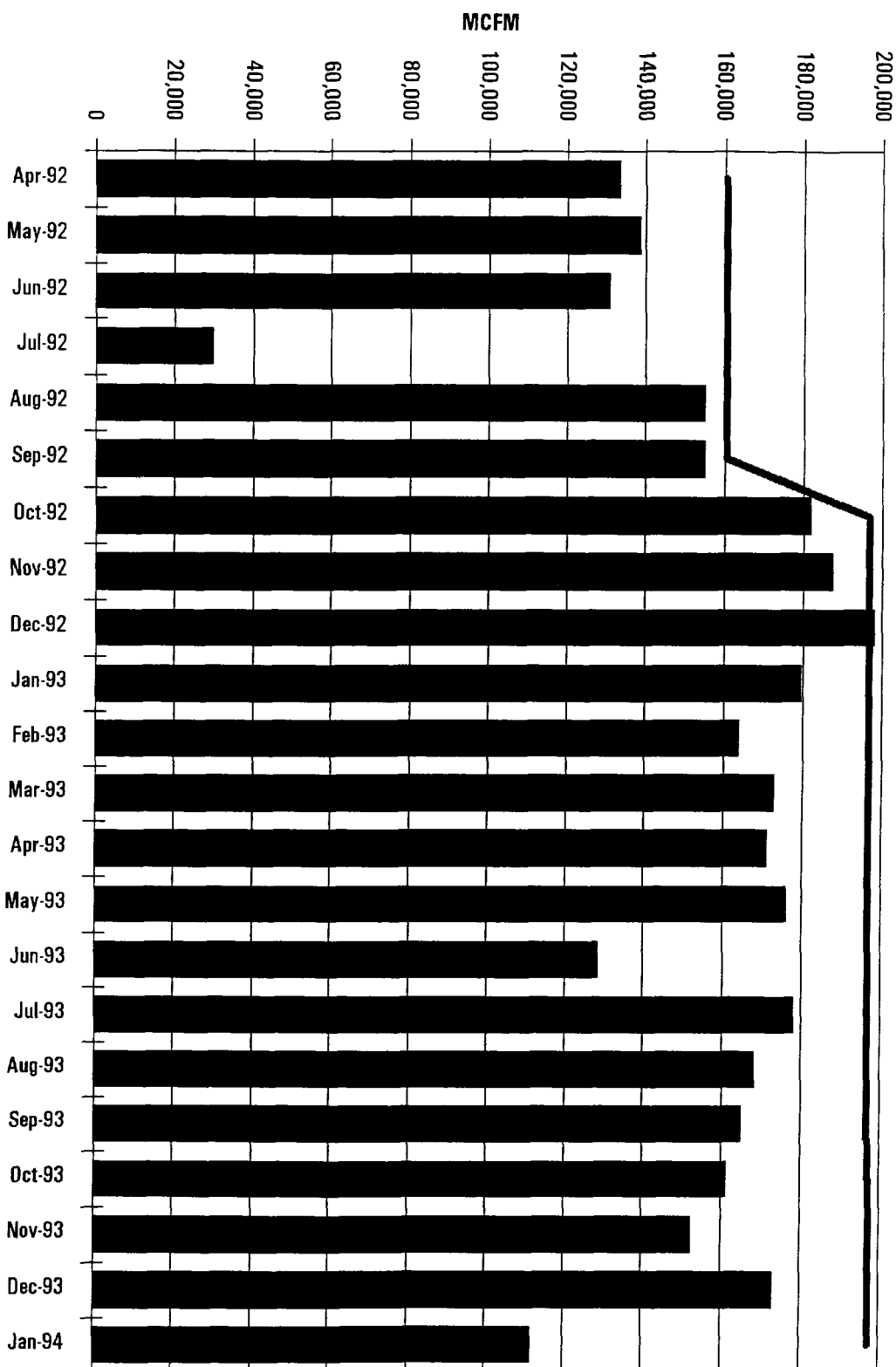
Hearing Date March 10, 1994



Chevron U.S.A. Production Company

Bogle Flats Unit #6

Now @ 100,000



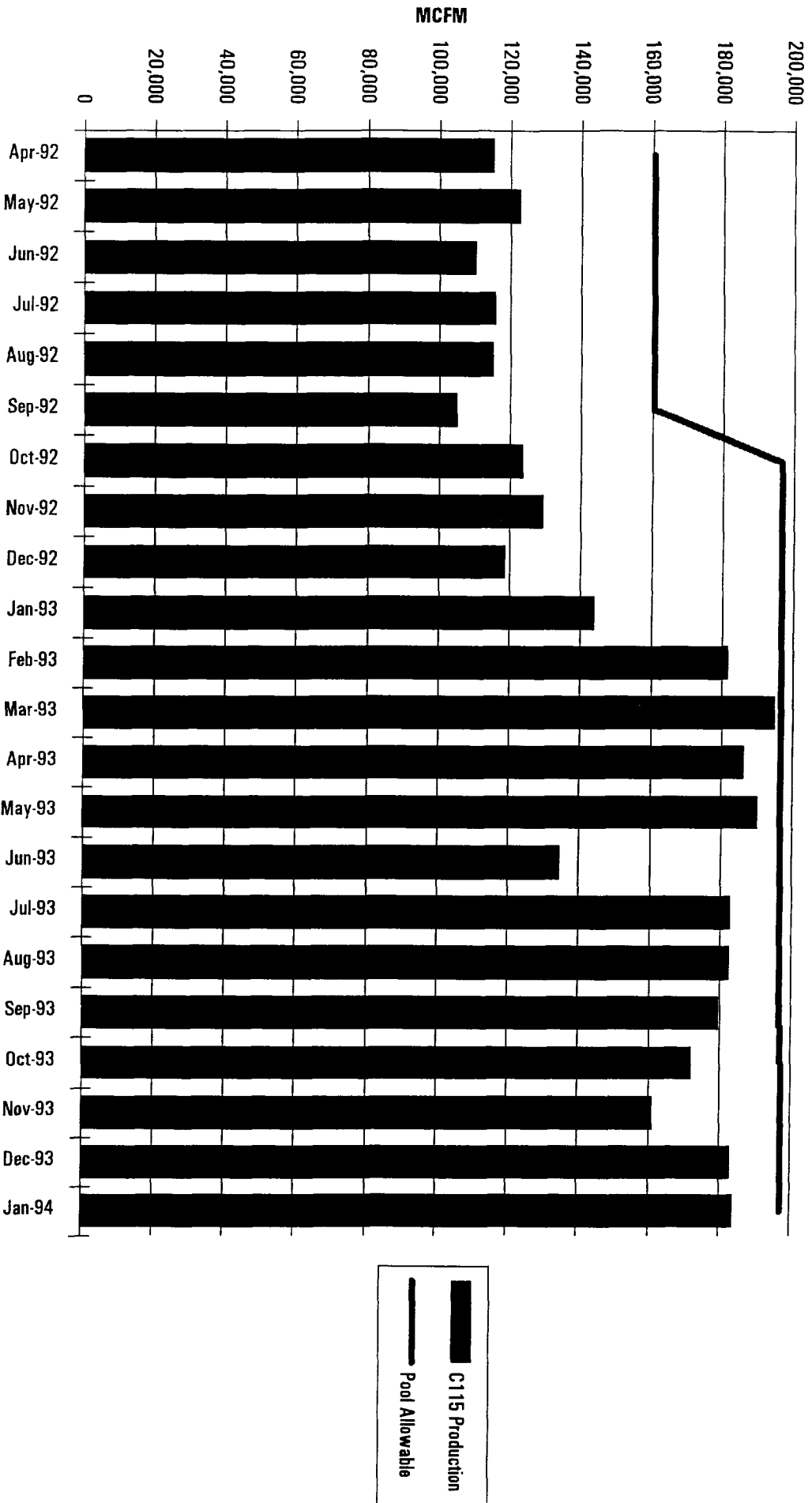
Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 7 (IB)
Submitted By Chevron USA
Hearing Date March 10, 1994



Chevron U.S.A. Production Company

Federal Gas Com '33' #1

12/11/94 Mr. [unclear] [unclear]



Before The Oil Conservation Commission
Santa Fe, New Mexico

Case No. 10,933

Exhibit # 8 (TB)

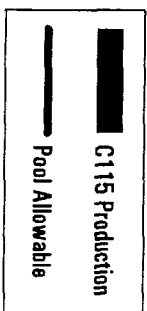
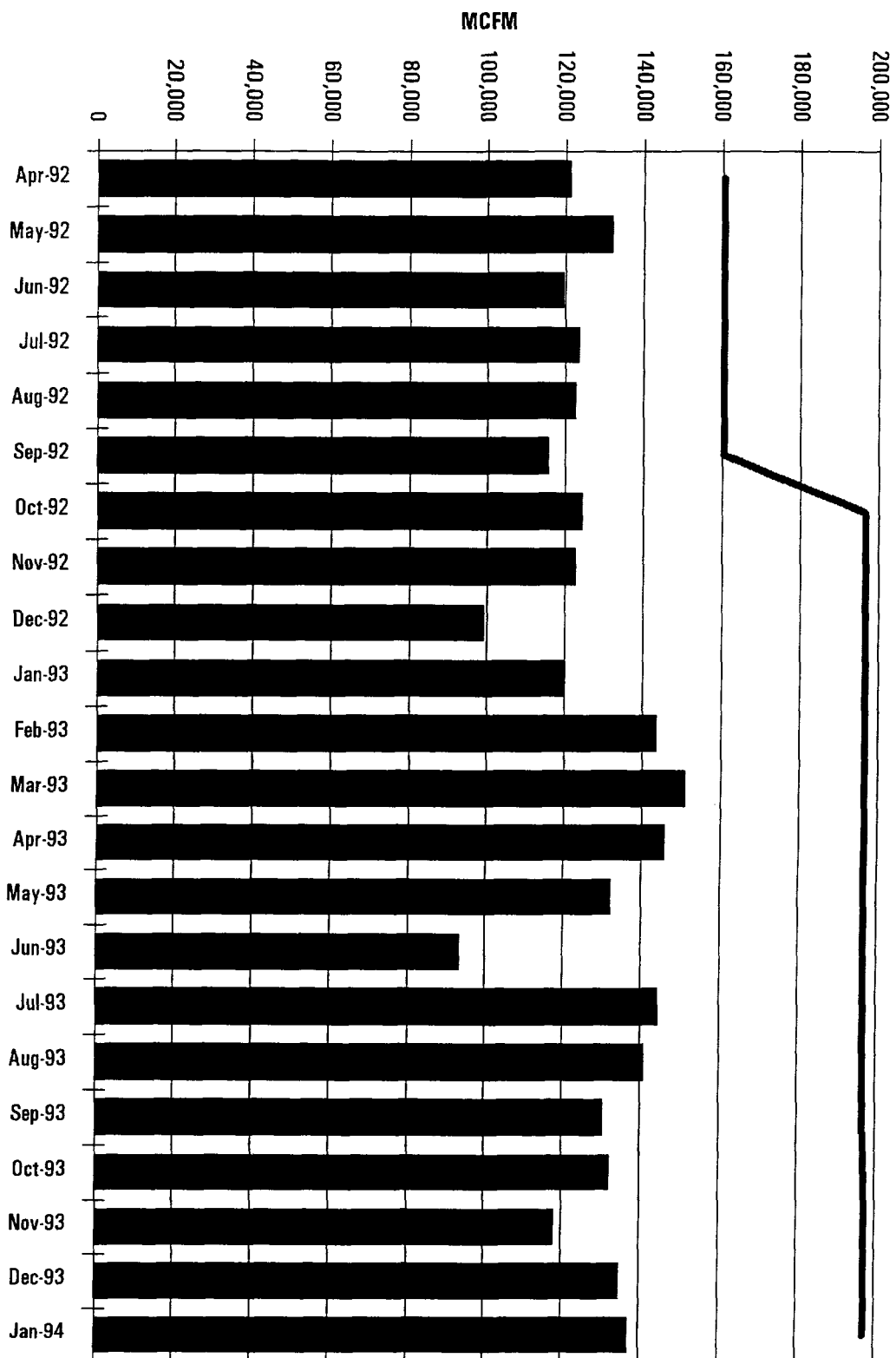
Submitted By Chevron USA

Hearing Date March 10, 1994



Chevron U.S.A. Production Company

Bogle Flats Unit #5



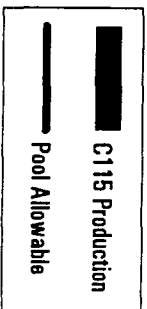
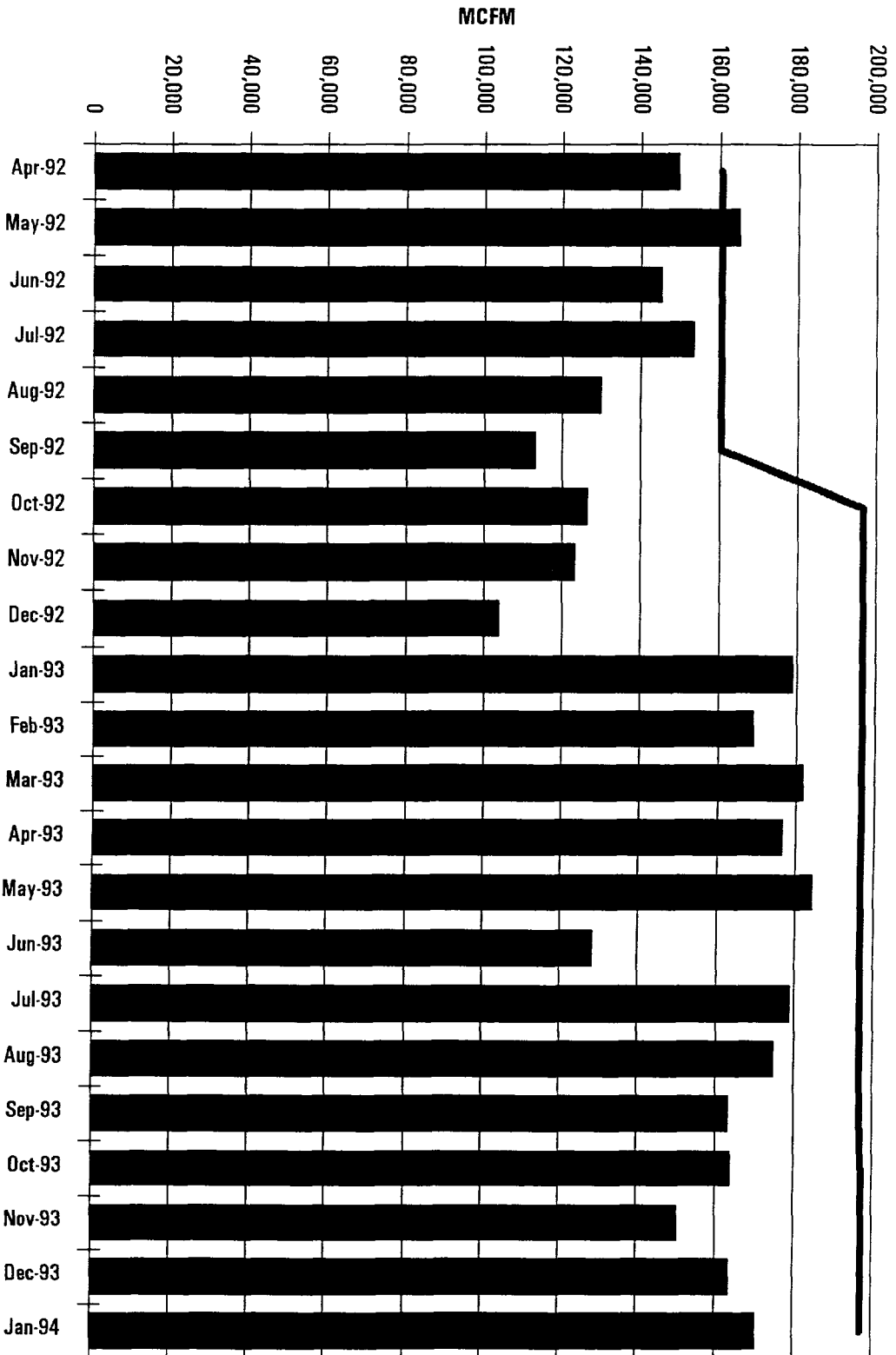
Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 9 (TB)
Hearing Date March 10, 1994



Chevron U.S.A. Production Company

Bogle Flats Unit #8

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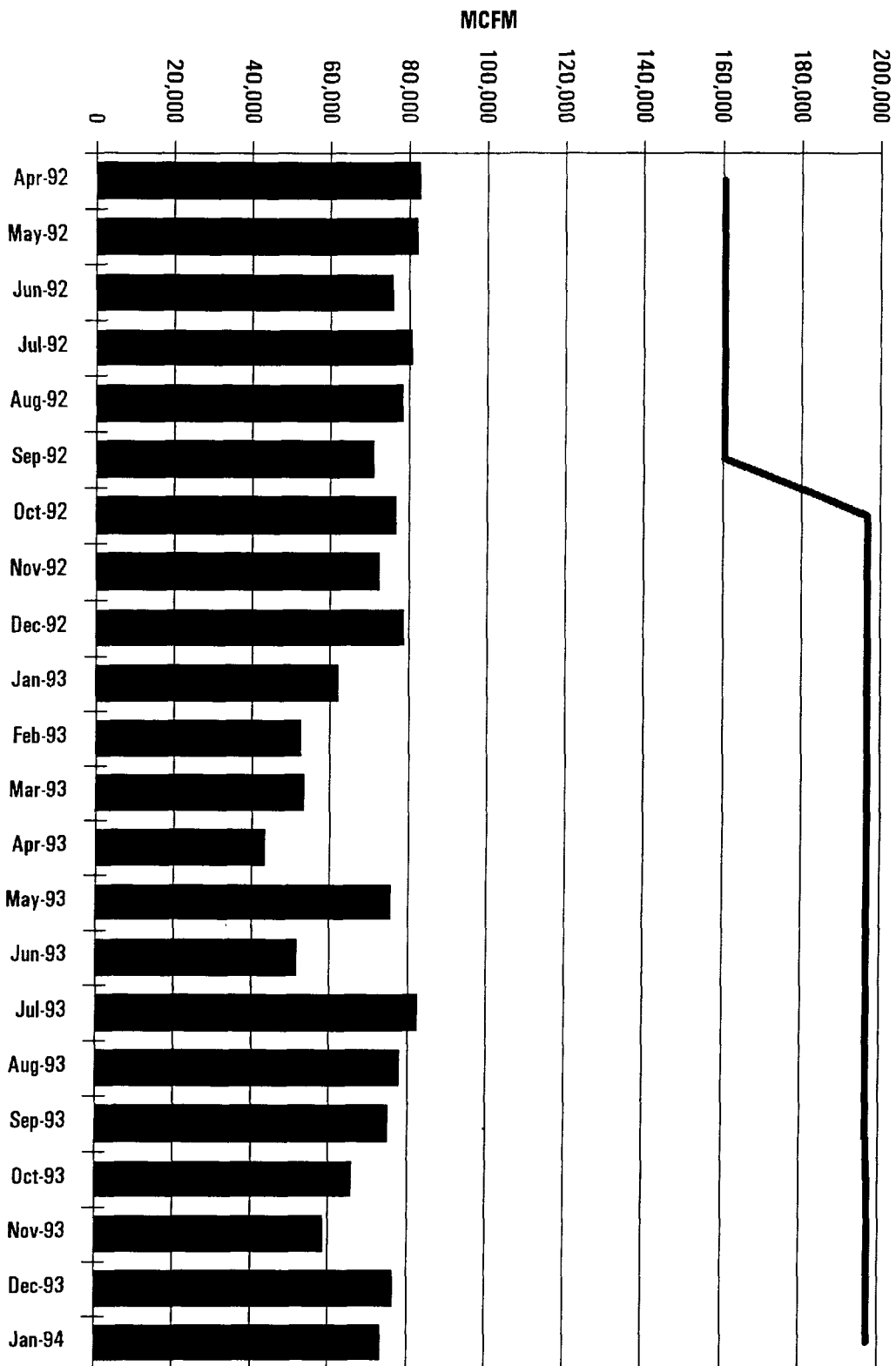


Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 10 (TB)
Submitted By Chevron USA
Hearing Date March 10, 1994



Chevron U.S.A. Production Company

Bogle Flats Unit #9



■ C115 Production
— Pool Allowable

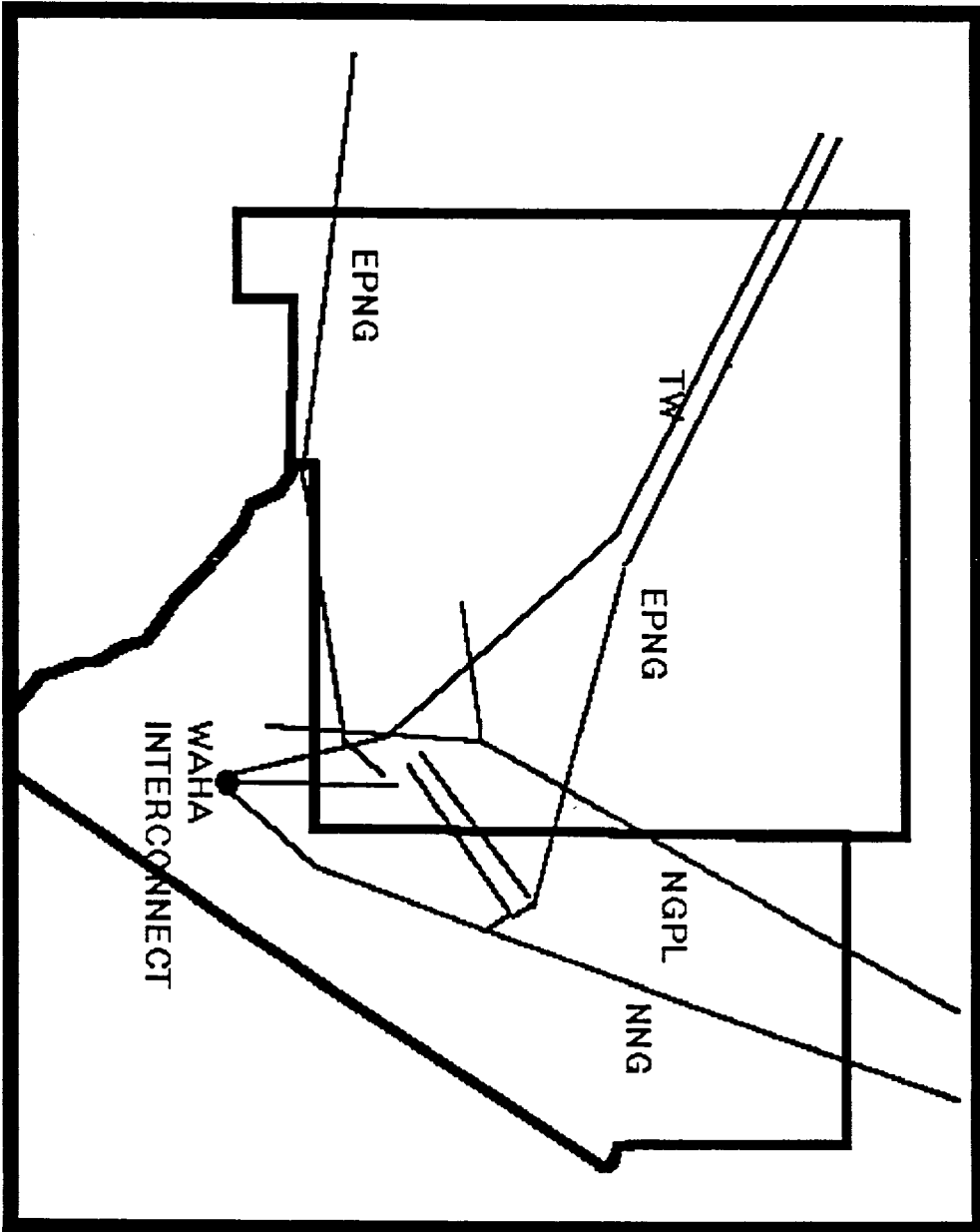
Before The Oil Conservation Commission
Santa Fe, New Mexico
Case No. 10,933
Exhibit # 11 (TB)
Submitted By Chevron USA
Hearing Date March 10, 1994



Chevron U.S.A. Production Company
P. O. Box 1150, Midland, Texas 79702

SOUTHEAST NEW MEXICO

Natural Gas Transportation System



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. 1

Submitted by: Chevron

Hearing Date: March 10, 1994

*Chevron Exhibits 1 and 2
Complete set*



Chevron U.S.A. Production Company
P.O. Box 1150, Midland, TX 79702

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. 2

Submitted by: Chevron

Hearing Date: March 10, 1994

SPOT GAS PRICE TO EPNG, PERMIAN BASIN

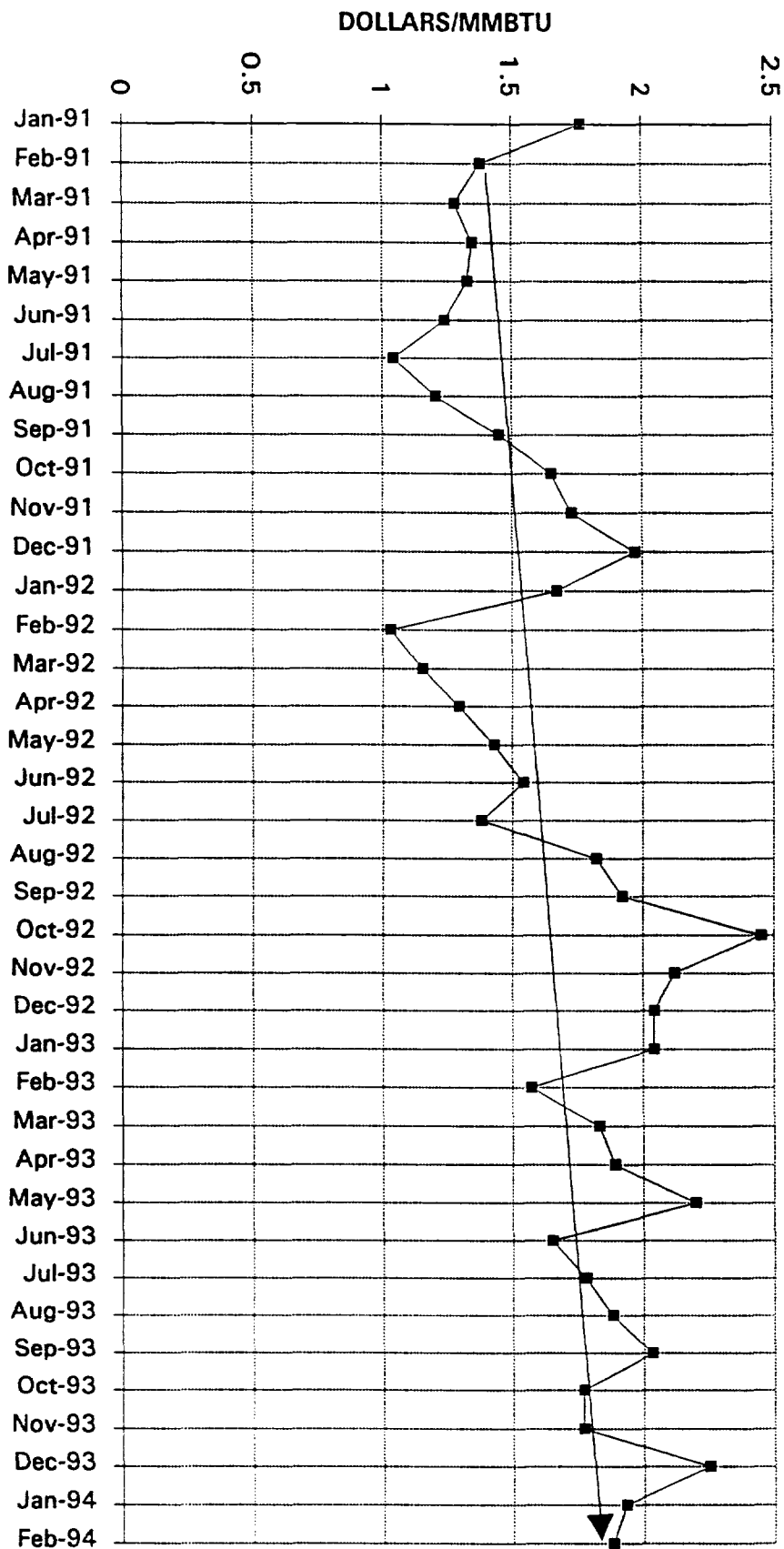


EXHIBIT #1

ALLOWABLE HEARING of March 10, 1994
for APRIL - SEPTEMBER 1994
BASIN DAKOTA POOL

Phillips Petroleum recommends the following Basin Dakota Non Marginal well allowables:

BASE MCF/MO	171042
ADJUSTMENT MCF/MO	98958
TOTAL MCF/MO	270000
F1 MCF/MO	10764
F2	13.54

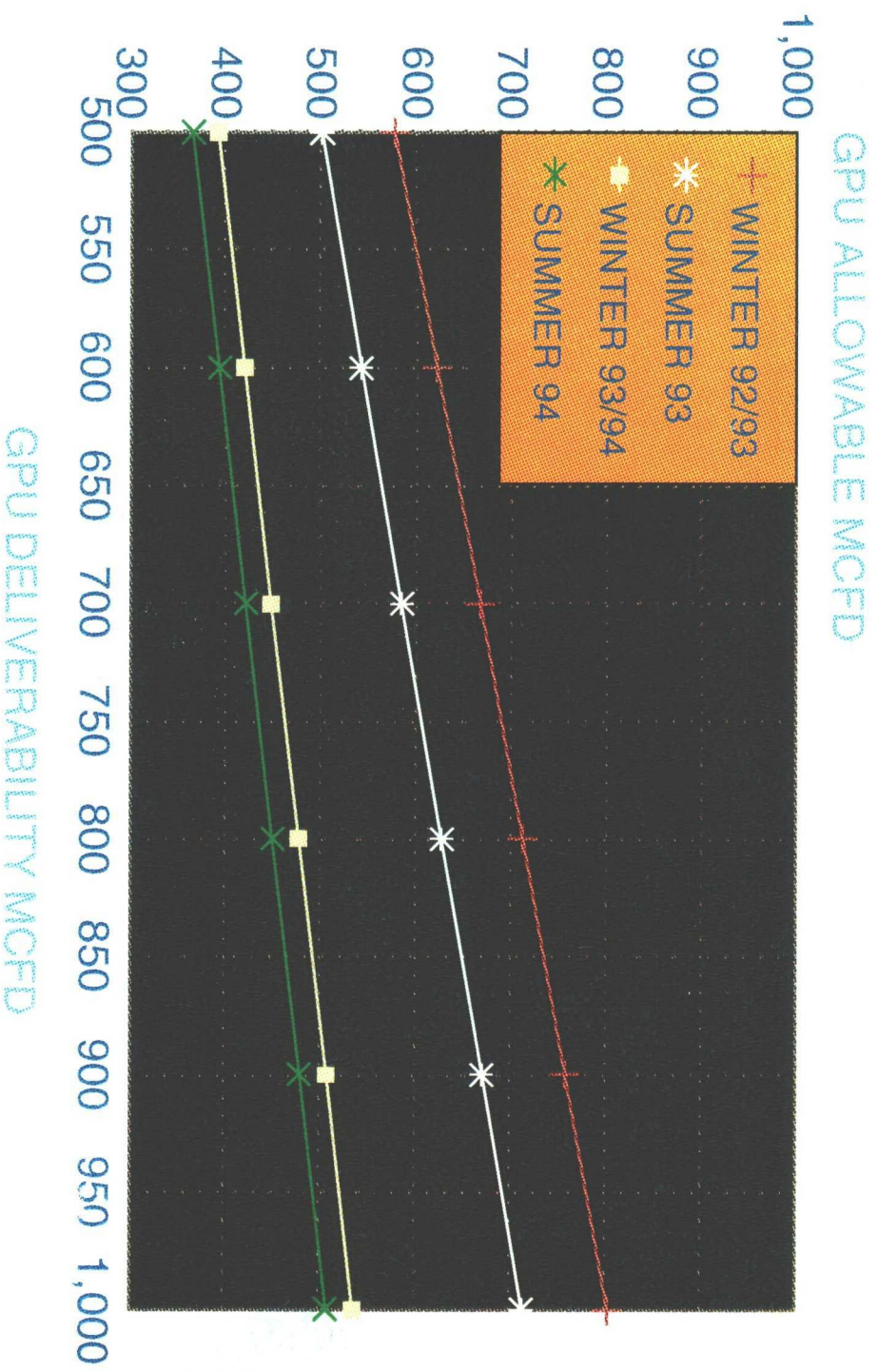
Phillips drilled 9 Basin Dakota wells in 1993 with economic justifications based on the allowables granted for the 10/92 - 3/93 allocation period. The recommended adjustment would result in allowables comparable to the 10/92 - 3/93 time period and would provide significant incentive for additional Basin Dakota development.

The producing rates required for Phillips to economically justify drilling Basin Dakota wells exceeds the minimum allowable, therefore the Non Marginal well allowable rates directly impact the economics of Basin Dakota development drilling.

*Phillips Exhibits 1 and 2
Complete Set*

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No. <u>10933</u>	Exhibit No. <u>1</u>
Submitted by <u>Phillips</u>	
Hearing Date <u>3/10/94</u>	

BASIN DAKOTA POOL GPU DELIVERABILITY VS ALLOWABLE HISTORICAL COMPARISON



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10933 Exhibit No. _____

Submitted by Phillips

Exhibiting Date _____

**NORTHWEST NEW MEXICO
POOL ALLOWABLES
APRIL - SEPTEMBER, 1994
RECOMMENDATIONS
MCF PER MONTH**

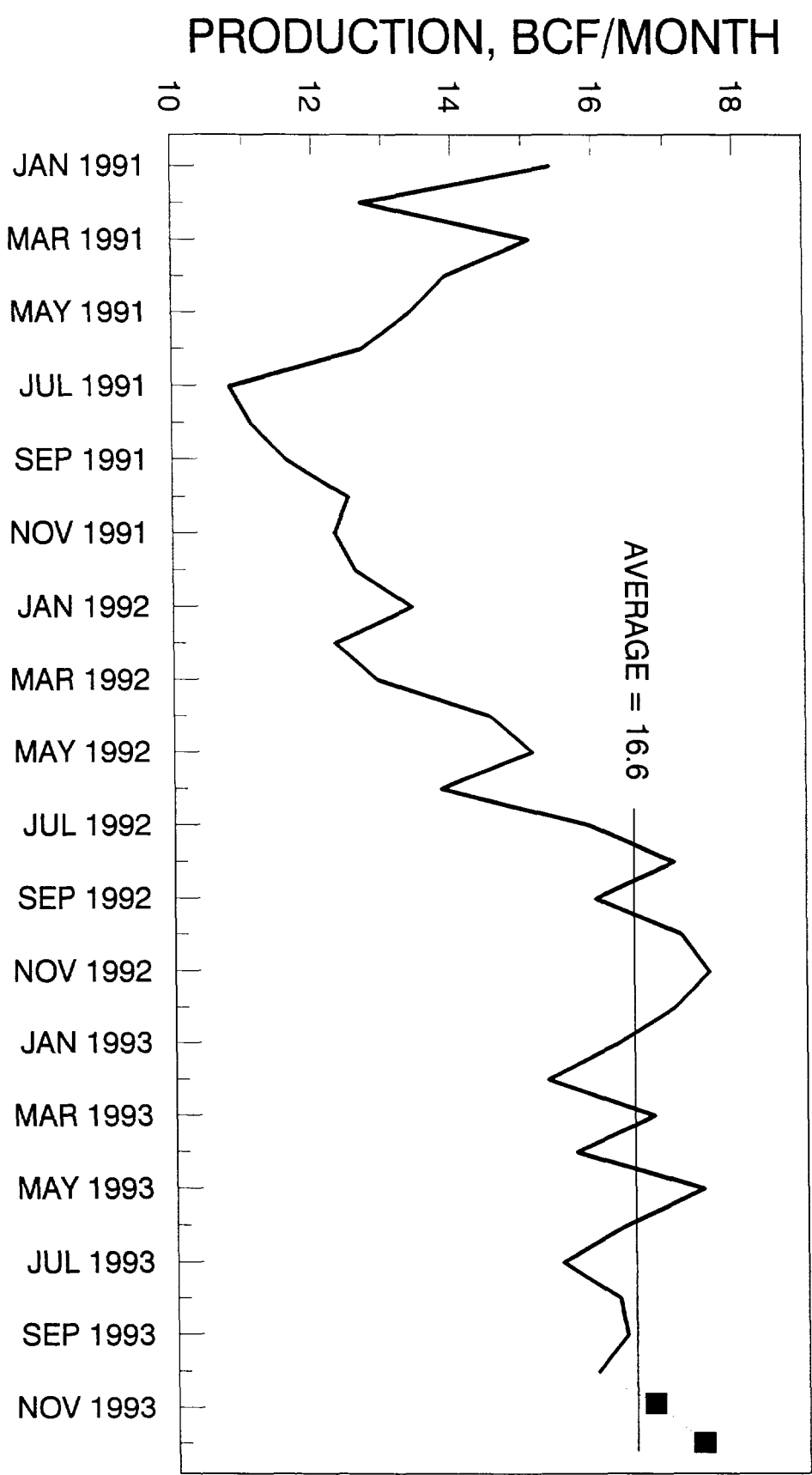
BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
Case No. <u>10933</u>	Exhibit No. _____
Submitted by <u>Meridian</u>	_____
Hearing Date <u>3/10/94</u>	_____

	BASIN DAKOTA	BLANCO MESAVERDE	BLANCO P.C. SOUTH
NMOC D RECOMMENDED	9,548,540	16,495,592	1,216,638
ADJUSTMENTS	0	0	0
	=====	=====	=====
MONTHLY POOL ALLOWABLE	9,548,540	16,495,592	1,216,638

EXHIBIT NO. 1

*Meridian Exhibits 1
through 5
Complete set*

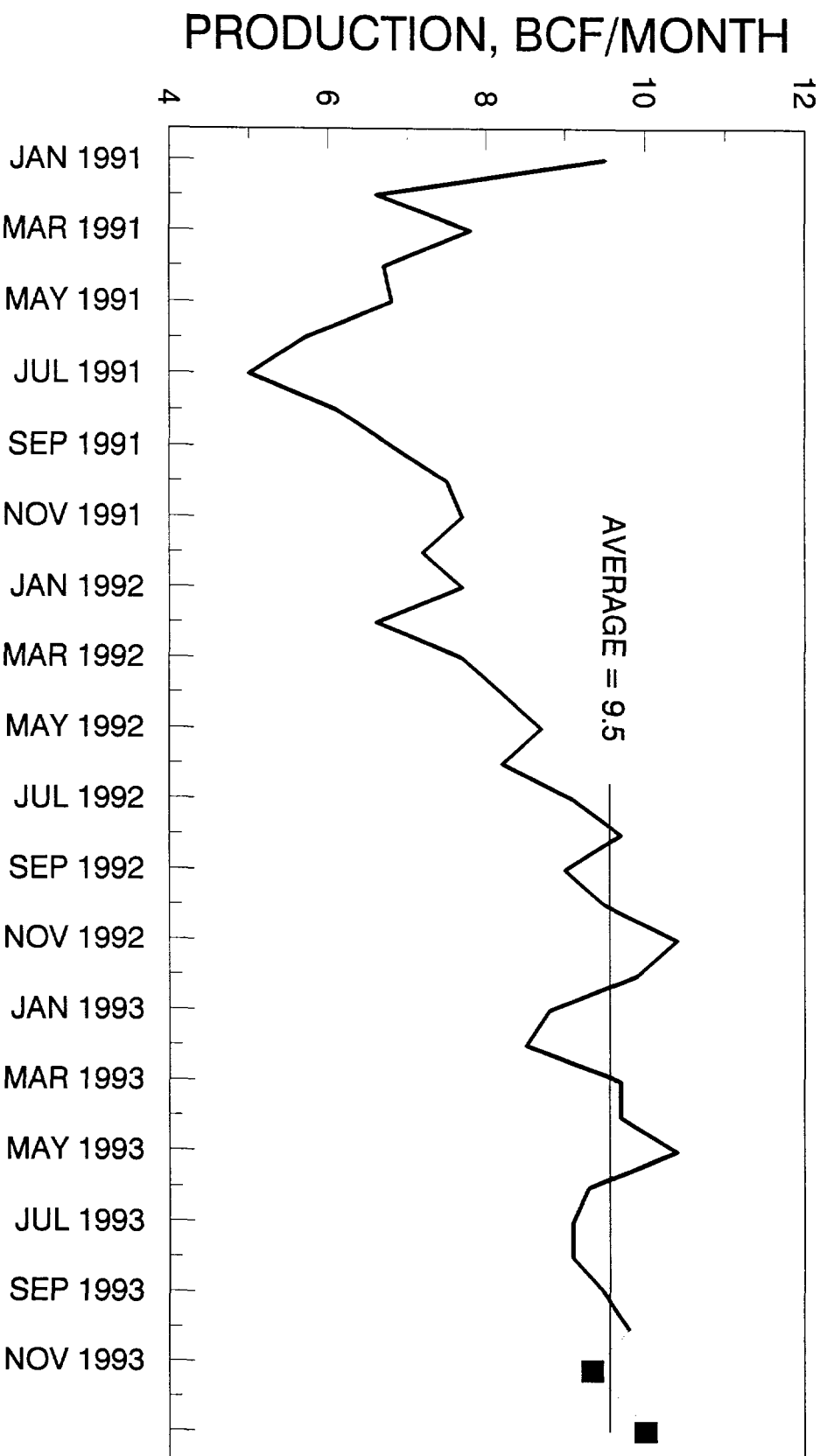
STATE OF NEW MEXICO POOL ALLOCATION HEARING BLANCO MESAVERDE POOL



SOURCE: NEW MEXICO MONTHLY STATISTICAL REPORT
 FILE: PRO1X.DRW

EXHIBIT NO. 2

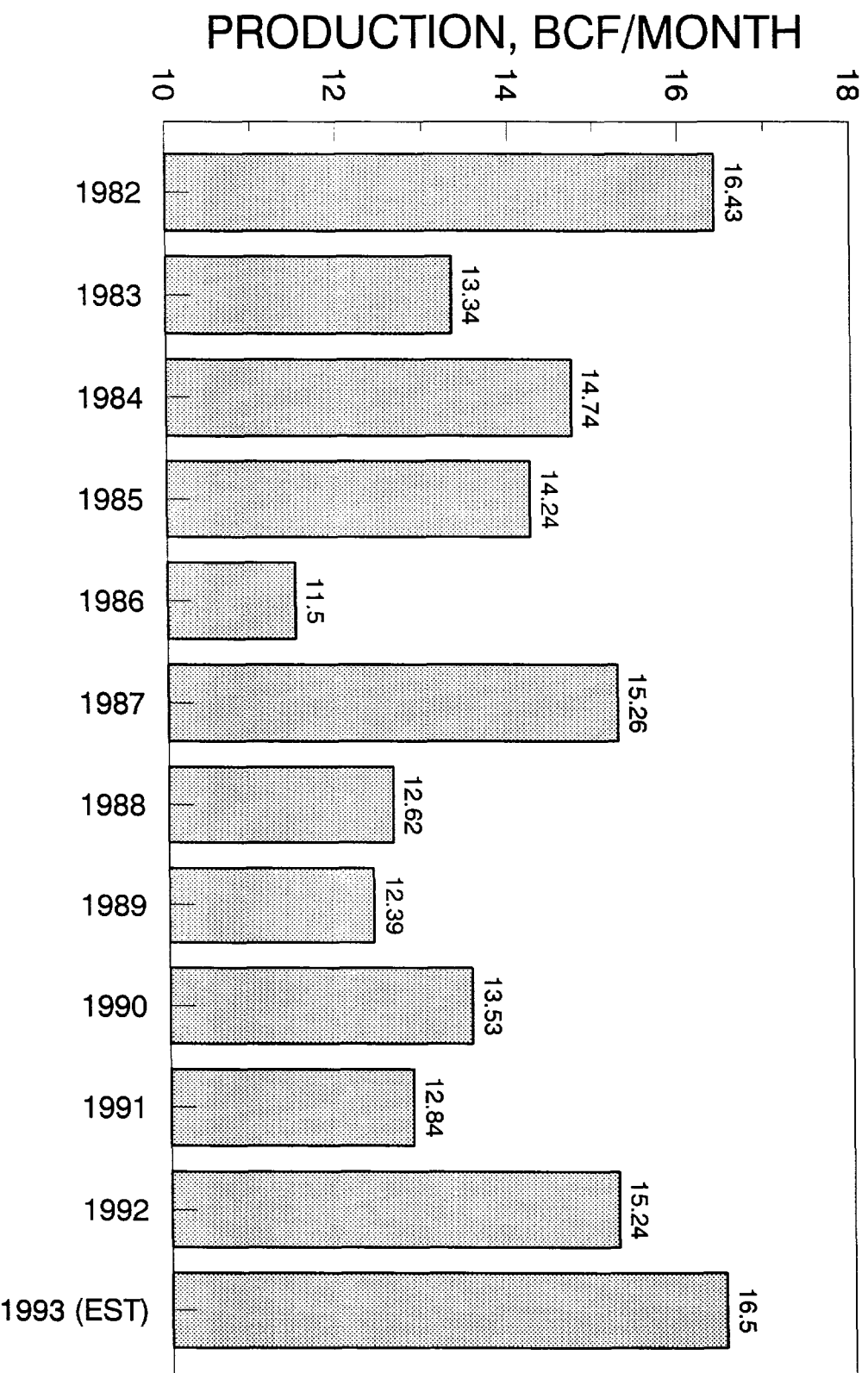
STATE OF NEW MEXICO POOL ALLOCATION HEARING BASIN DAKOTA POOL



SOURCE: NEW MEXICO MONTHLY STATISTICAL REPORT
FILE: PRO2X.DRW

EXHIBIT NO. 3

NORTHWEST NEW MEXICO PRORATED POOL PRODUCTION BLANCO MESAVERDE



FILE:PRO6.DRW

EXHIBIT NO. 4

NORTHWEST NEW MEXICO PRORATED POOL PRODUCTION BASIN DAKOTA

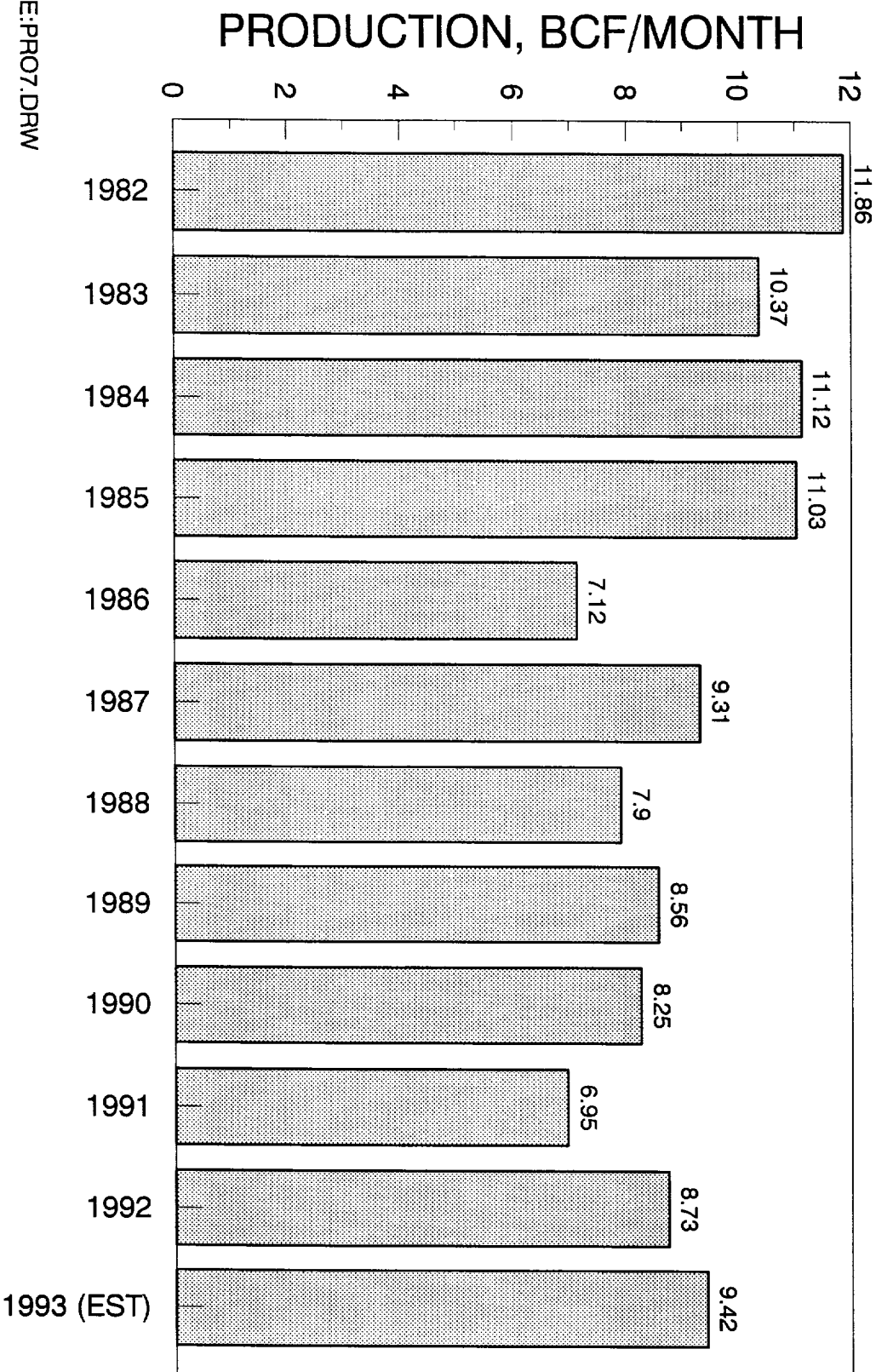


EXHIBIT NO.

