ENGP216T--ENGP216-01
RUN-TIME: 13:50:32

EXHIBIT "A" CASE NO. 10450
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - SOUTHEAST NEW MEXICO
FOR APR92 THRU SEP92

RUN-DATE 02/24/92

	ATOKA PENN	BLINEBRY	BUFFALO VALLEY PENN	BURTON FLAT MORROW	CARLSBAD MARROW	CATCLAW DRAW MORROW	EUMONT	INDIAN BASIN MORROW SO	INDIAN BASIN UPPER PENN	JALMAT	JUSTIS GL	TUBB
(1) AVERAGE MONTHLY POOL SALES APR91-SEP91 ALL VOLUME ARE IN MCF.	89,914	354,110	157,429		233,629	187,858	1,936,303	74,035	3,292,012	966,159	40,742	204,165
(2) TOTAL NOMINATIONS AVG MONTH VOL.												
(3) ADJUSTMENTS.	48,000		7,000		100,000	109,245	169,191		464,019			10,000
(4) MONTHLY POOL ALLOWABLE APR92-SEP92 (LINE 1 + LINE 3.)	137,914	354,110	164,429		333,629	297,103	2,105,494	74,035	3,292,012 3,756,031	966,159	40,742	214,165
(5) MNTHLY MARGINAL POOL ALLOWABLE APR91-SEP91	25,062	131,351	134,745		186,434	147,103	1,364,710	63,149	2,250,351	814,000	13,116	121,127
(6) MONTHLY NON-MARGINAL POOL ALLOWABLES APR92-SEP92 LINE 4 - LINE 5	112,852	222,759	29,684		147,195	150,000	740,784	10,886	1,041,661 [illegible]	152,159	27,626	93,038
(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS	3.78	10.00	1.00		4.97	2.00	40.48	.86	6.49	8.00	7.00	9.00
(8) MONTHLY ACREAGE ALLOCATE FACTOR APR92-SEP92 (LN 6 / LN 7)	29,855	22,276 45,000	29,684		29,617	75,000 127,000	18,300	12,658	160,502 [illegible]	19,020	3,947	10,338

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

* FIGURES ARE FOR FIVE MONTH AVERAGE DUE TO INDIAN BASIN GAS PALANT BEING DOWN FOR 12 DAYS IN SEPTEMBER 1991.

VANRYAN
EXH "A"

ENGP216T--ENGP216-01
RUN-TIME: 13:50:32

EXHIBIT "B" CASE NO. 10450
MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
PRORATED GAS POOLS - NORTHWEST NEW MEXICO
FOR APR92 THRU SEP92

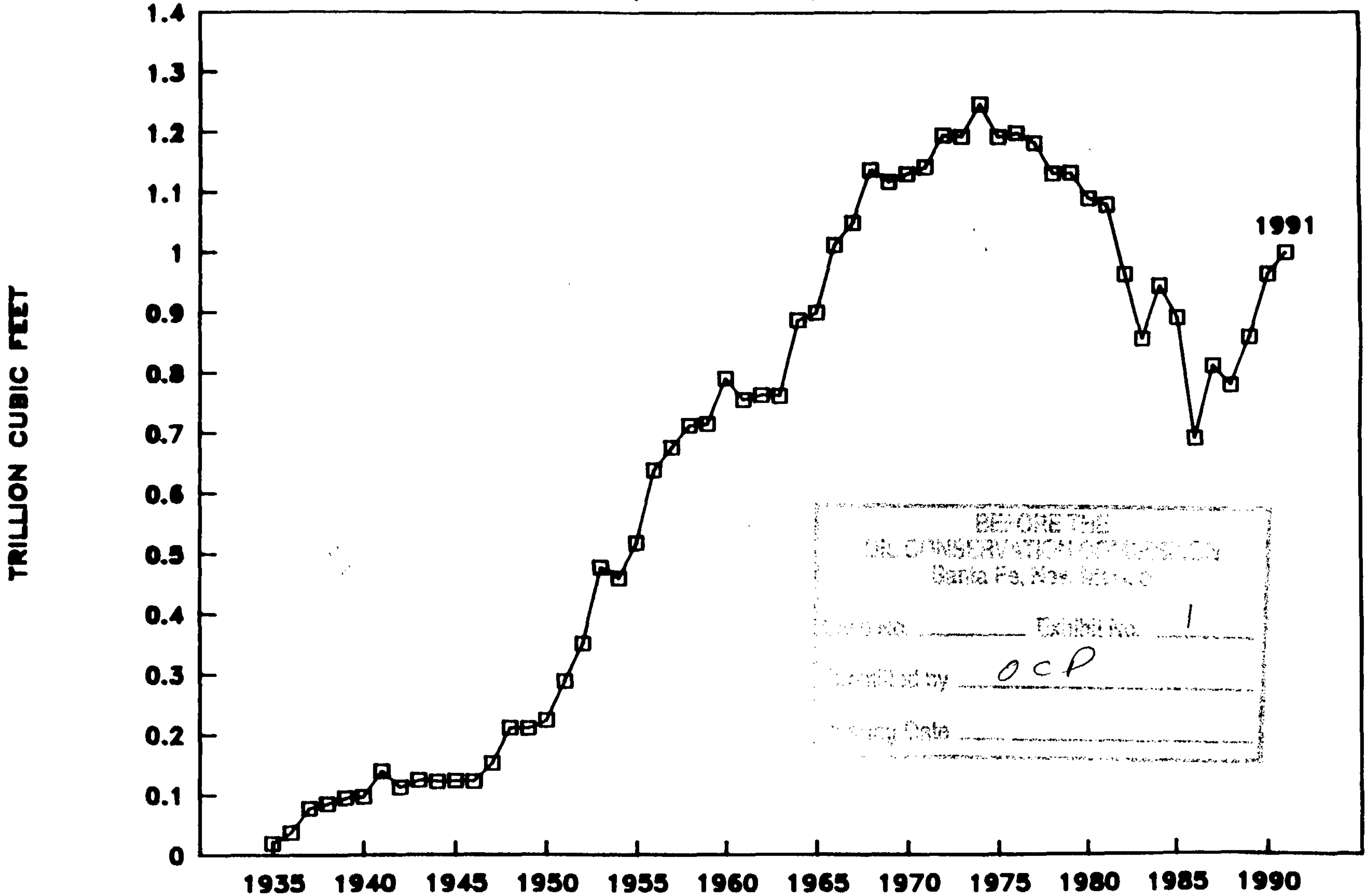
RUN-DATE 02/24/92

	BASIN DAKOTA	BLANCO MESA VERDE	BLANCO P.C. SOUTH	TAPACITO
(1) AVERAGE MONTHLY POOL SALES APR91-SEP91 ALL VOLUME ARE IN MCF.	5,863,716	12,179,306	864,713	197,234
(2) TOTAL NOMINATIONS AVG MONTH VOL.				
(3) ADJUSTMENTS.				
(4) MONTHLY POOL ALLOWABLE APR92-SEP92 (LINE 1 + LINE 3.)	5,863,716	12,179,306	864,713	197,234
(5) MNTHLY MARGINAL POOL ALLOWABLE APR91-SEP91	3,811,033	5,209,632	428,939	91,827
(6) MONTHLY NON-MARGINAL POOL ALLOWABLES APR92-SEP92 LINE 4 - LINE 5	2,052,683	6,969,674	435,774	105,407
(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS	289.09	567.72	326.02	78.68
(8) NUMBER OF NON-MARGINAL ACREAGE TIMES DELIVERABILITY FACTORS DEC. 91	151,820	351,062	18,945	5,808
(9) MONTHLY ACREAGE ALLOCATE FACTOR APR92-SEP92	4,260	3,069	334	335
(10) MONTHLY ACREAGE TIMES DELIVERABILITY ALLOCATE FACTOR APR92-SEP92	5.410000	14.890000	17.250000	13.610000

VANRYAN
EXH "B"

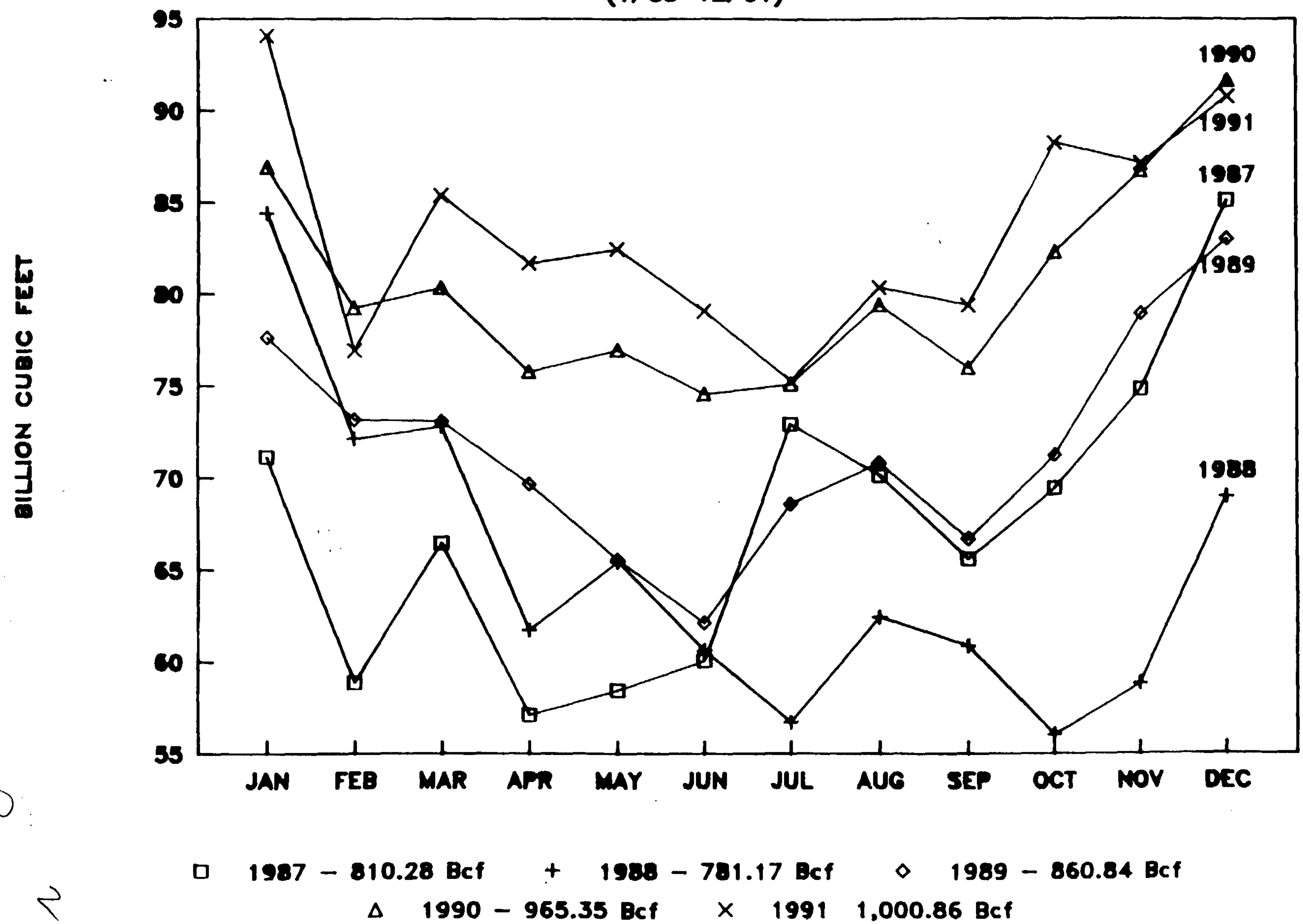
NEW MEXICO GAS PRODUCTION HISTORY

(1935 – 1990)



MONTHLY NM NATURAL GAS PRODUCTION

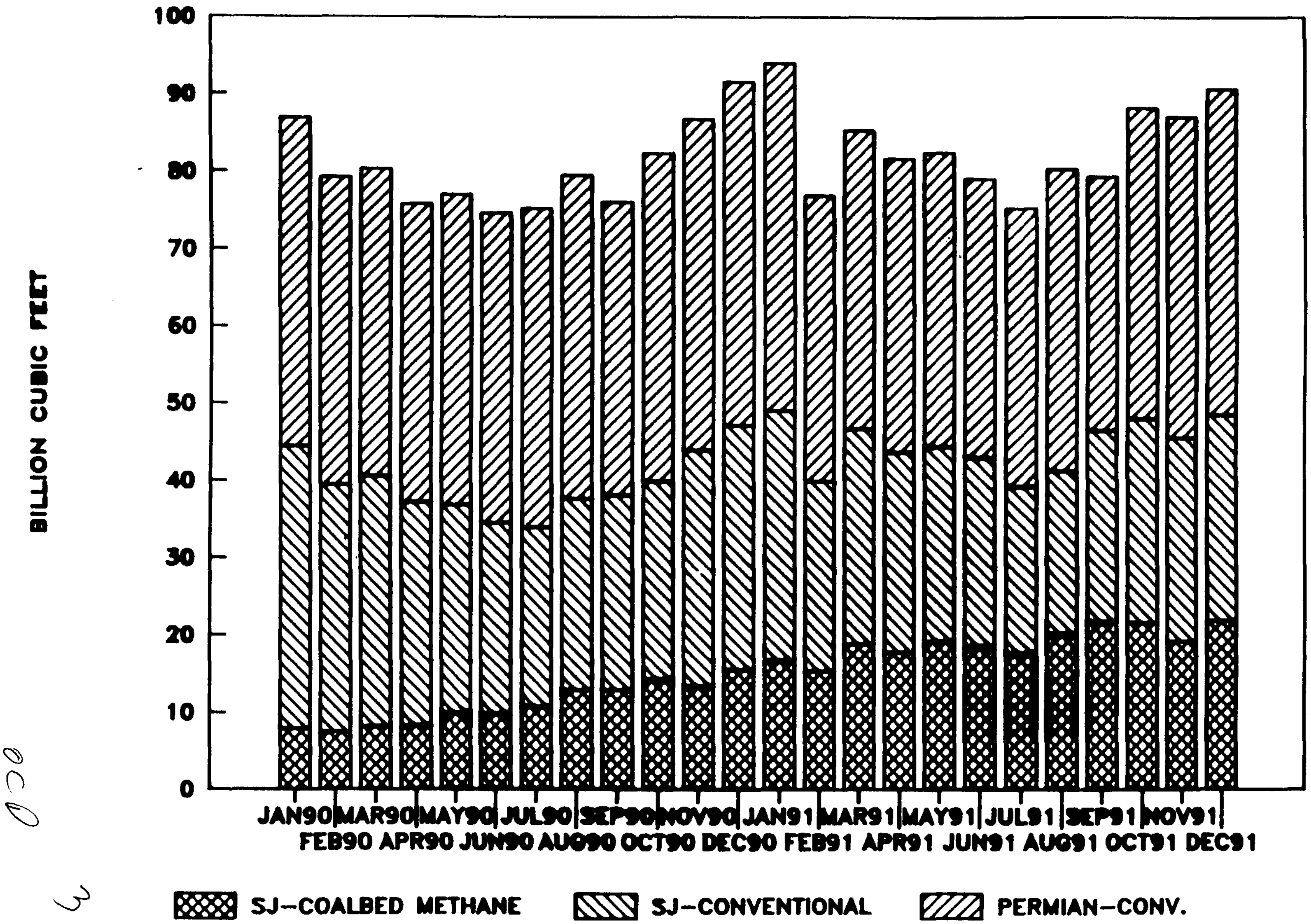
(1/88–12/91)



OCD

2

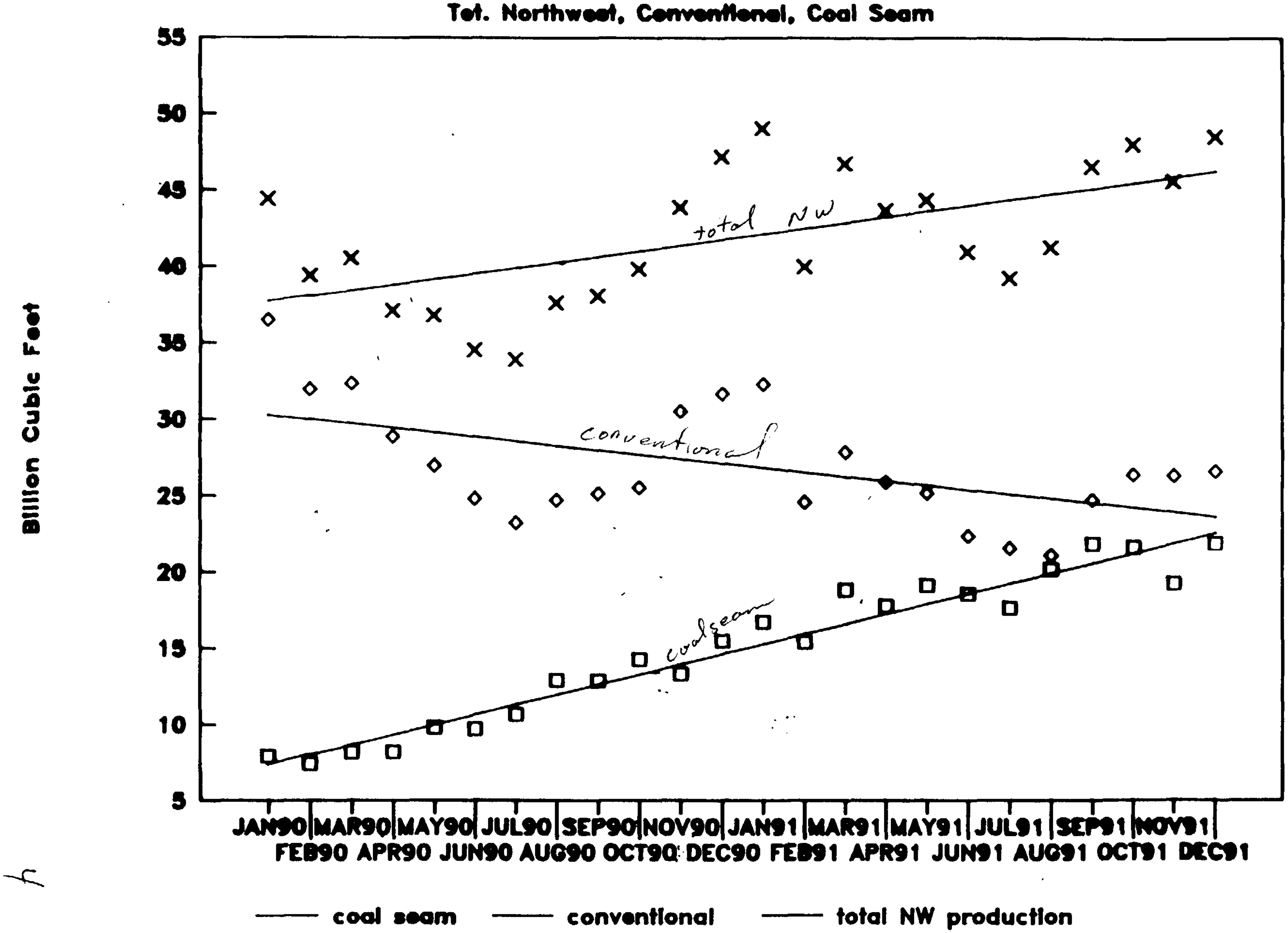
NEW MEXICO NATURAL GAS PRODUCTION



OCD

3

TRENDS: NM NATURAL GAS PRODUCTION

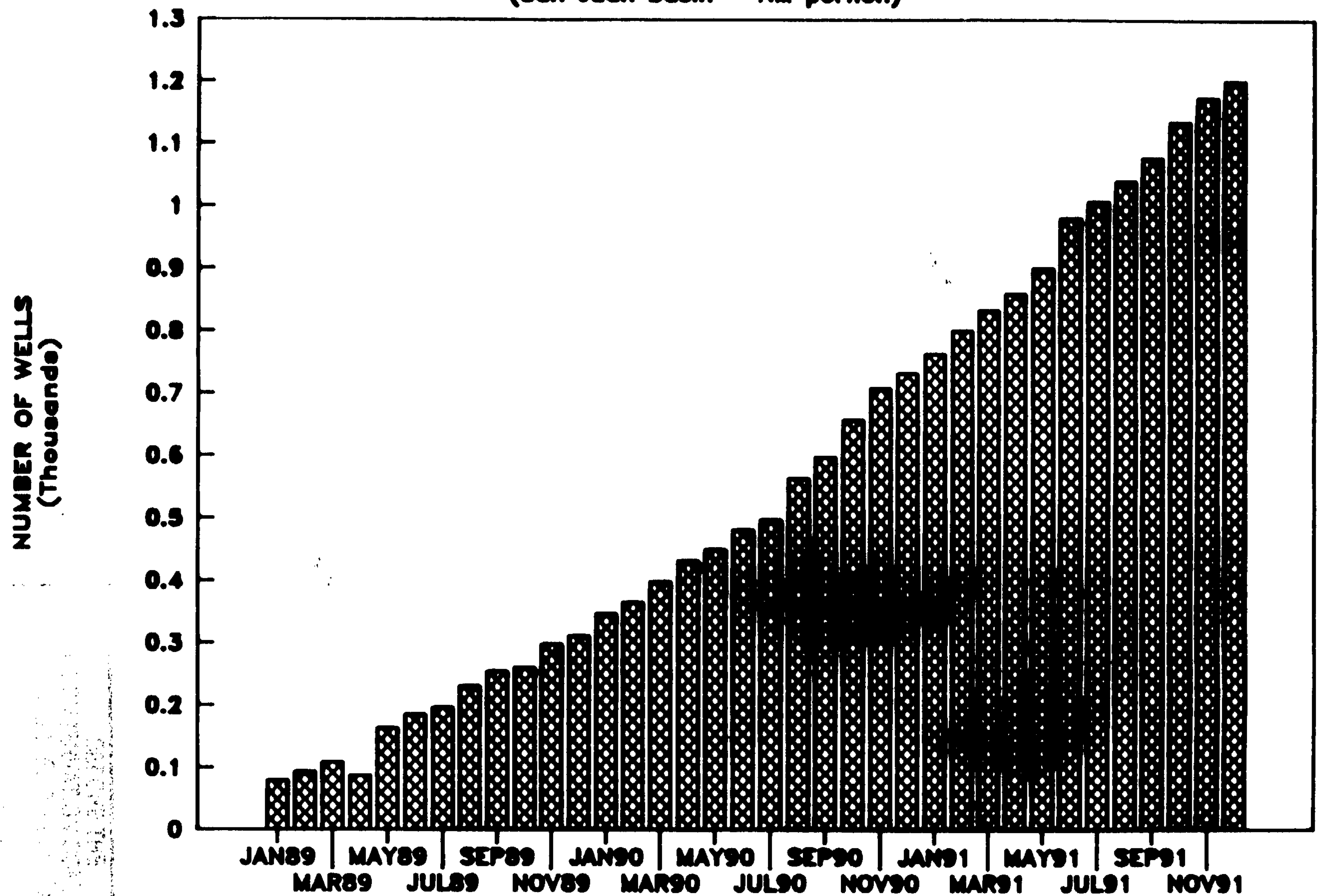


4

OCD

COALBED METHANE PRODUCING WELLS

(San Juan Basin – NM portion)

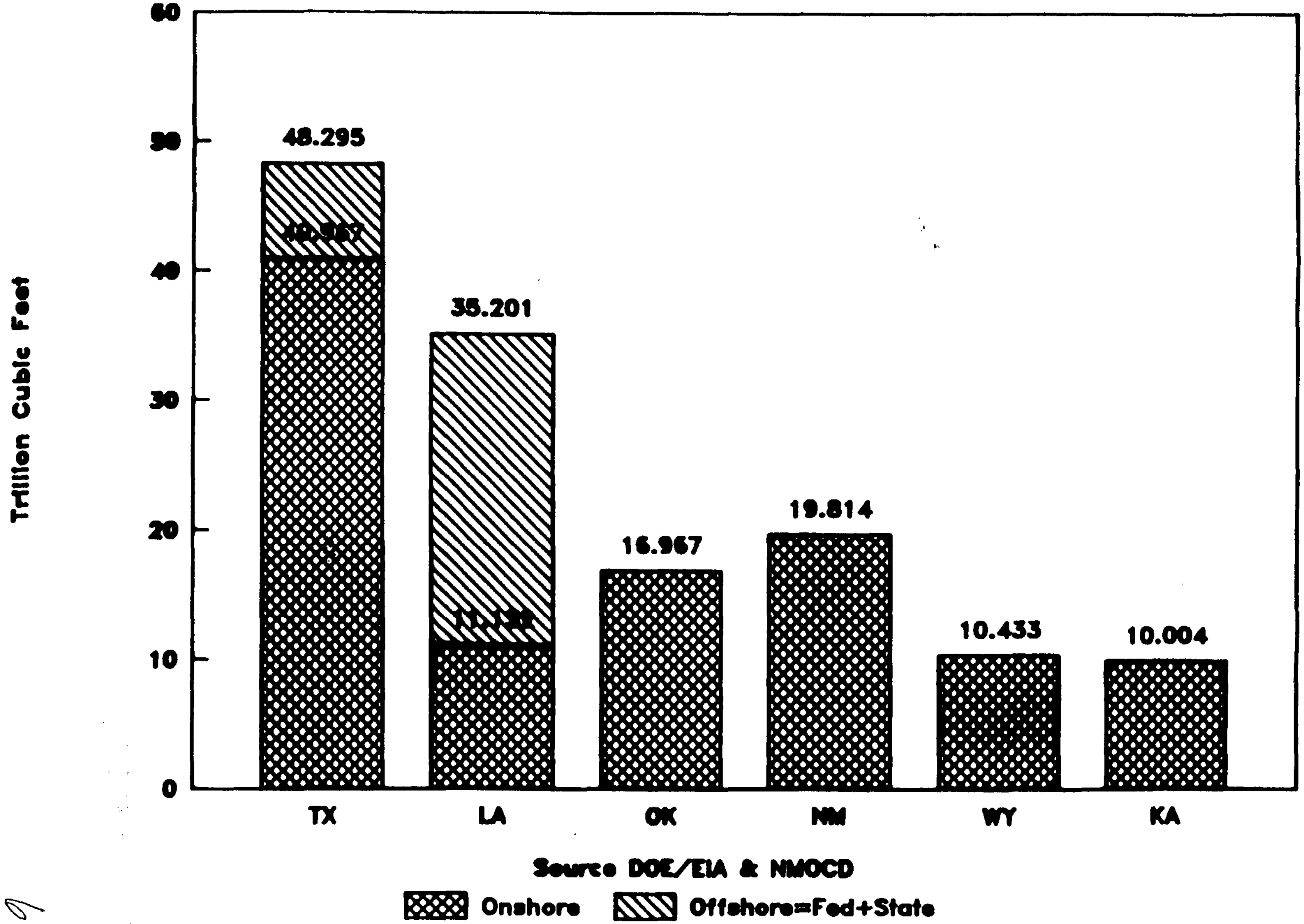


5

OCD

Natural Gas Reserves Producing States

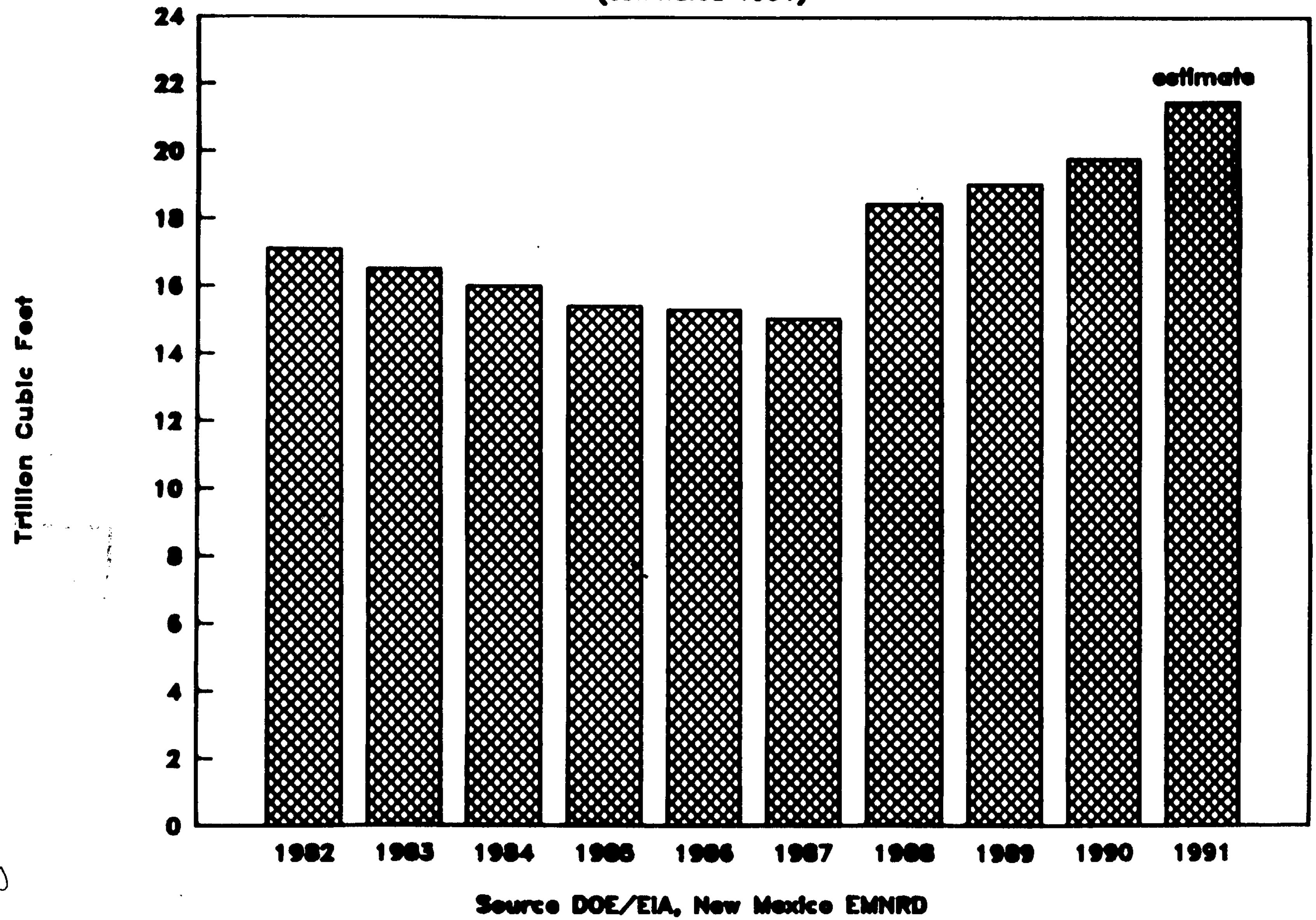
12/31/90



6

NEW MEXICO PROVEN NATURAL GAS RESERVES

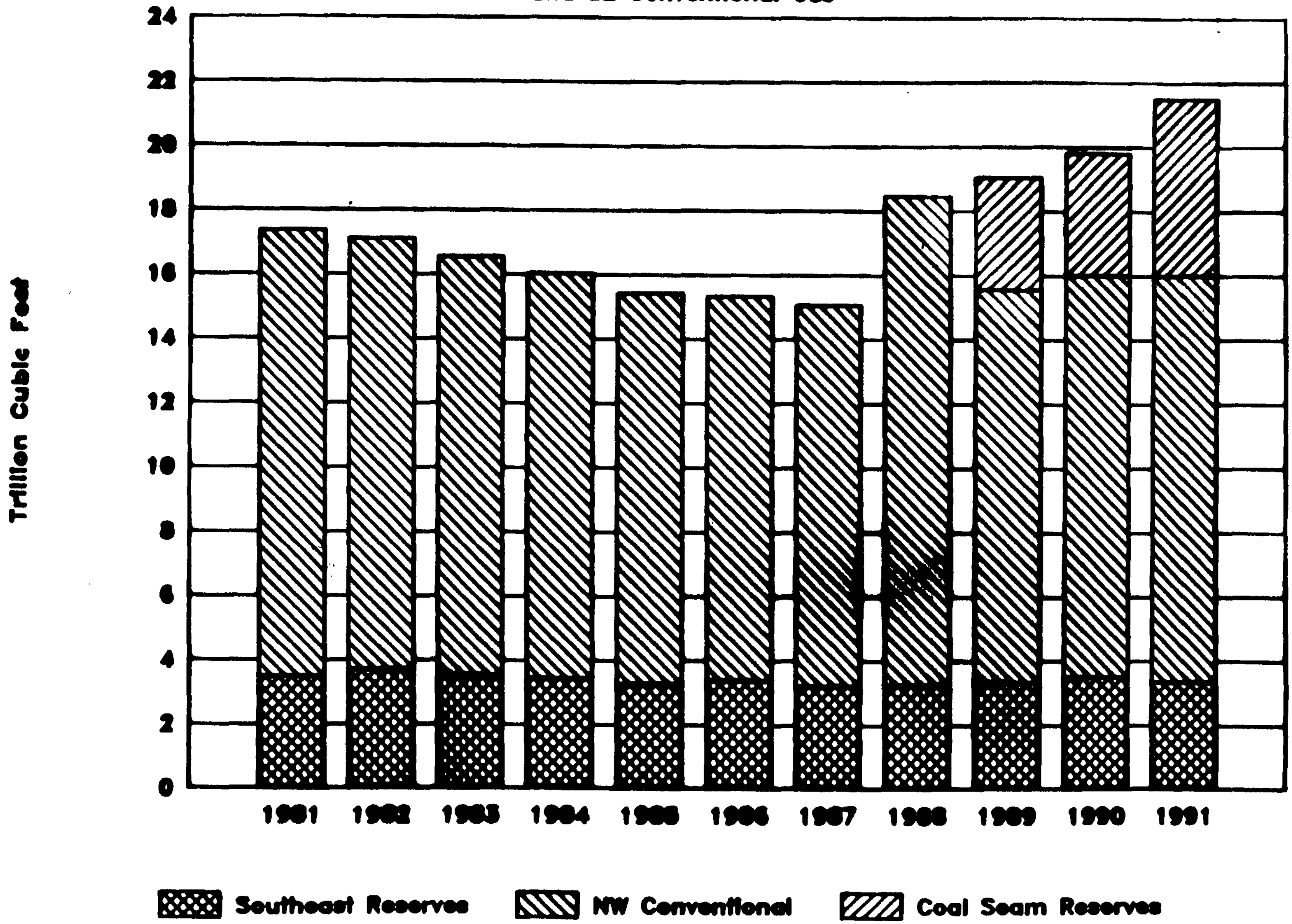
(estimated 1991)



OCD 7

Reserves NW Conv. & Coal Seam

and SE Conventional Gas



8

OCD

Marathon Exhibits 1 through 11
Complete Set

MARATHON OIL COMPANY
MID-CONTINENT REGION

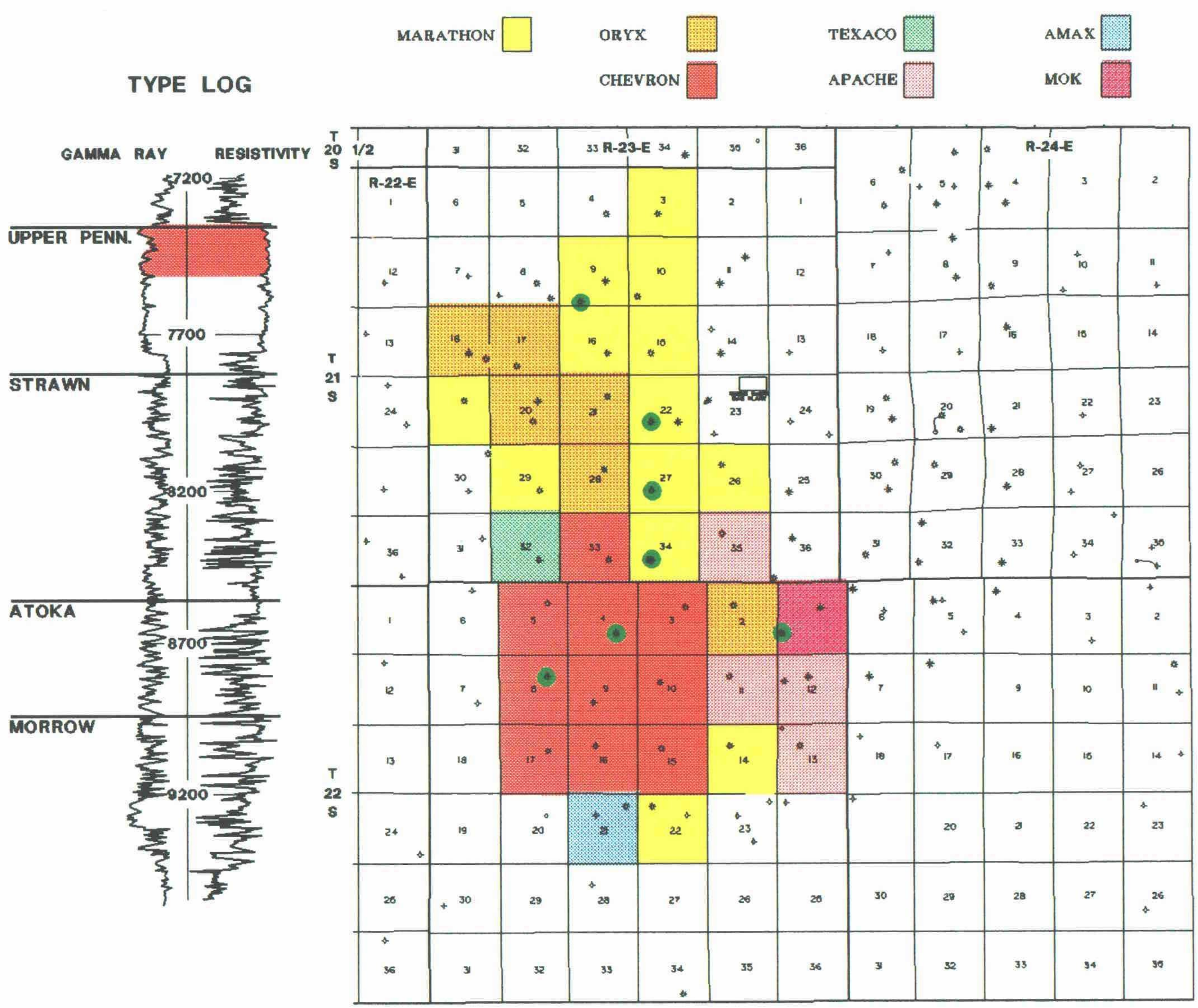
INDIAN BASIN FIELD

EDDY COUNTY, NEW MEXICO

OPERATOR MAP

MARGINAL WELL
NON-MARGINAL WELL

0 2 4
MILES

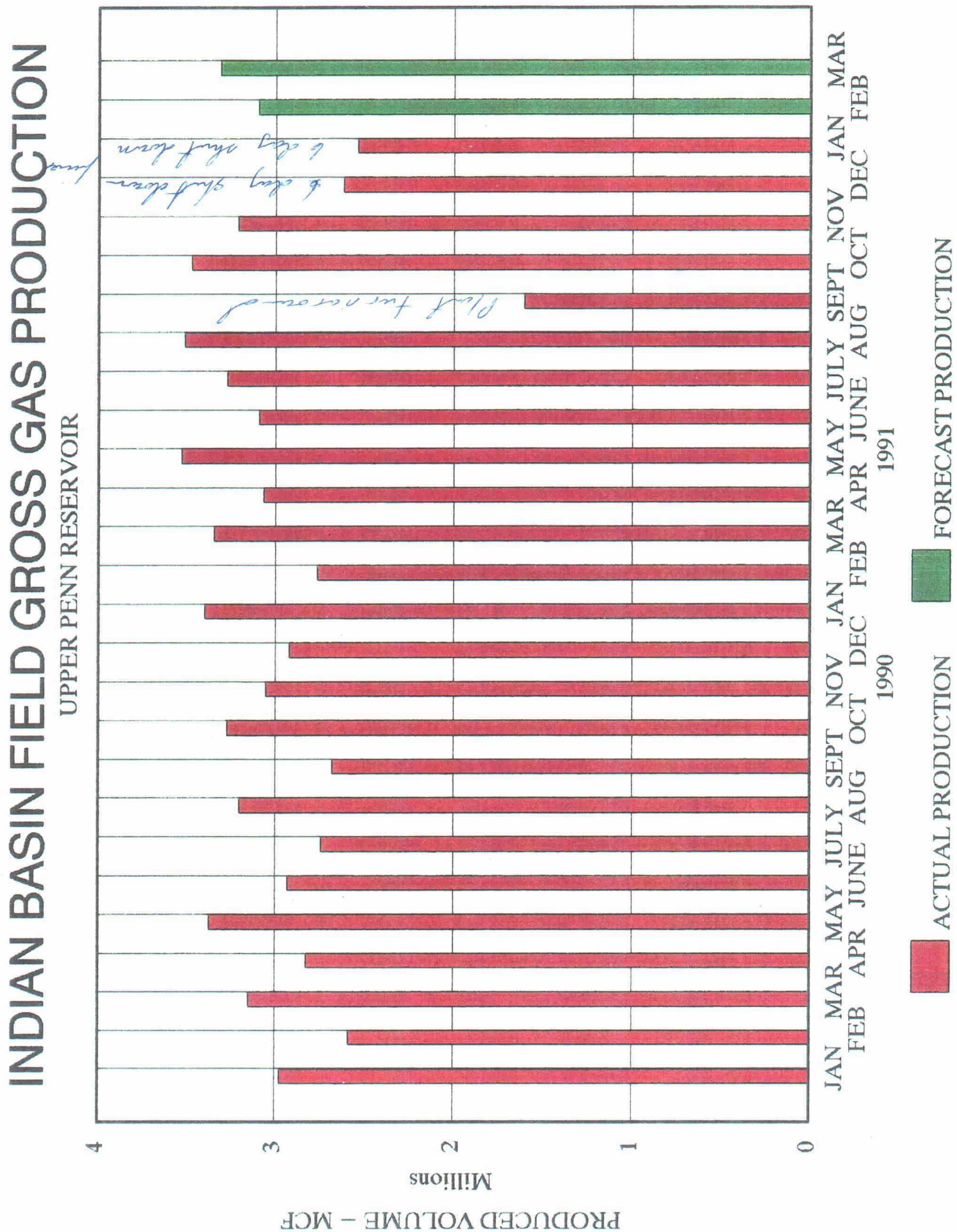


Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 1
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIANBF.BUD OPER

11/91

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 2
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92



Mid-Continent Region
Production United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

February 14, 1992

To all Operators
Indian Basin Upper Penn Pool
Eddy County, New Mexico

Re: Upcoming NMOCC Allowables Hearing
Proposed Indian Basin Upper Penn Pool Allowables

Gentlemen:

Marathon has reviewed the preliminary allowable estimates recently issued by the New Mexico Oil Conservation Division which will provide the starting point for the hearings scheduled for February 27, 1992 on gas allowables for the upcoming allocation period (April 1992 - September 1992). Marathon intends to propose at the hearings that a sufficient positive adjustment be made to the preliminary monthly pool allowable for the Indian Basin Upper Penn Pool in order to increase the monthly acreage allocation factor (F1 factor) for Indian Basin Upper Penn non-marginal wells, from the 121,000 mcf per month set out on the preliminary table, to 205,000 mcf per month (sales).

To the best of Marathon's knowledge, such an F1 factor, if adopted, would allow all non-marginal wells in the field (with an acreage factor of 1.00) to produce to their full capabilities. Marathon intends to produce its wells through the coming allocation period at the highest level which the Oil Conservation Commission will approve. Marathon has the markets to sell the additional gas which would be produced under its proposal, and believes that the other operators in the field would be able to find purchasers for their additional production as well. The transportation systems which serve the field are more than adequate to deal with the additional production which would result from the adoption of Marathon's proposal. No operator, whether it operates marginal or non-marginal wells, would have its ability to market its gas inhibited by Marathon's proposal.

Marathon asks that you support its request to increase the allowables for the Indian Basin Upper Penn pool. If at all possible, Marathon asks that you provided it with a letter prior to February 27, 1992 whereby you indicate your support for Marathon's proposal. If you have any questions with regard to Marathon's proposal, please feel free to call, Marathon Senior Reservoir Engineer, Ron Folse, at (915) 687-8240.

Sincerely,

T. N. Tipton
Engineering Manager

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 3
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

TCL7/le

Mid-Continent Region
Exploration United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

February 21, 1992

Via Fax

Mr. Larry VanRyan
Chief Engineer
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: **Upcoming NMOCC Allowables Hearing**
Proposed Indian Basin Upper Penn Pool Allowables

Dear Mr. VanRyan:

Since my letter to you dated February 14, 1992, with regard to adjustments which Marathon plans to propose at the February 27, 1992 gas allowables hearing to the preliminary allowables for the Blinebry and Indian Basin Upper Penn Pools, Marathon has further reviewed the preliminary allowable estimates issued by NMOCC on February 7, 1992. The proposal set out in my February 14 letter as to the appropriate F1 factor for the non-marginal wells in the Indian Basin Upper Penn Pool, was based upon the belief that the allowable estimate was calculated using sales of residue gas at the tailgate of the Indian Basin Gas Plant, as opposed to volumes of gas actually produced at the wellhead. Upon examining production and sales figures for the prorated wells at Indian Basin, Marathon has now concluded that the preliminary allowable estimate for the Indian Basin Upper Penn Pool was calculated using wellhead production and not gas plant tailgate sales.

Based on this conclusion, Marathon began a second review of the estimate by analyzing the figure for the Indian Basin Upper Penn Pool set out in line 1 of the chart, designated as average monthly pool sales for April 1991 through September 1991. This figure appears to be an accurate average of monthly pool production for that period. However, because the Indian Basin Gas Plant was down for 12 days in September, 1991 for plant turnaround, and thus all of the wells in the pool were shut-in during that period of time, utilizing a six month average of pool production in this line of the chart does not accurately represent what the wells were capable of producing or what the producers were able to sell during that period of time. Marathon suggests that true producing capacity and market demand is better reflected in the monthly average for the five month period of April 1991 through August 1991. This average is 3,295,979 mcf per month, which is 268,299 mcf per month over the six month average of 3,027,680 mcf per month. Marathon proposes making a positive adjustment for the Indian Basin Upper Penn Pool in line 3 of the allowables chart of 268,299 mcf per month, to take into consideration the gas plant shut down. In addition, Marathon proposes a second positive adjustment in line 3 of 119,089 mcf per month in order that the monthly pool allowable in line 4 may be raised to 3,415,068 mcf per month. The purpose of this second adjustment is to cause the F1 factor in line 8 to be increased to 232,000 mcf per month.

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 4
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

Marathon has committed much effort in 1990 and 1991 to increasing production from the wells that it operates in the Indian Basin Upper Penn Pool. These efforts have been quite successful and production from Marathon's wells has been substantially increased over that period. Marathon has continued in 1992 to make changes in its operations at Indian Basin to further increase production. The end result of this work is that Marathon's Indian Basin "D" 1 Well is now the best producing well in the field, and, Marathon believes, will be capable in the coming allocation period of making 232,000 mcf of gas per month.

Because there are presently no constraints on getting this increased production to market, and demand for the gas exists, Marathon believes it should be permitted the opportunity to reap the benefits of its commitment to increasing production from the pool. Therefore, Marathon proposes the adjustments to the preliminary allowable estimates described above that would result in an F1 for the non-marginal wells in the Indian Basin Upper Penn Pool of 232,000 mcf of gas per month. A wellhead production of 232,000 mcf of gas per month will result in approximately 205,000 mcf per month in residue gas sales from the tailgate of the gas plant, which was the F1 proposal set out in my previous letter.

In order that we may answer any questions you may have regarding Marathon's proposal and what it intends to present at the hearings next week, I will have Marathon Senior Reservoir Engineer, Ron Folse, call you on Monday, February 24, to further discuss Marathon's proposal. Please also feel free to call Ron yourself at (915) 687-8240.

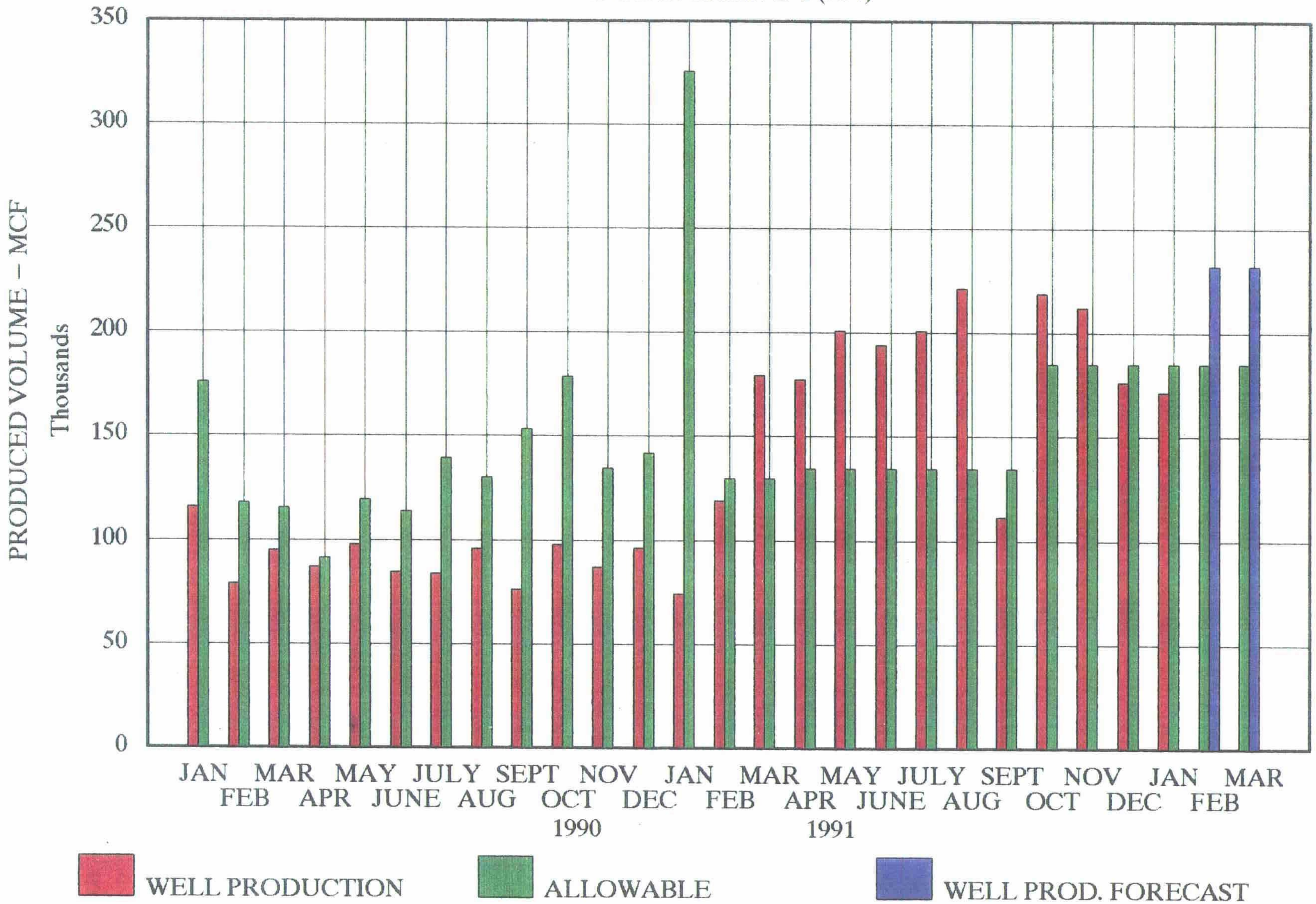
Sincerely,

T. N. Tipton
Engineering Manager

TCL12/le

INDIAN BASIN FIELD

INDIAN BASIN D 1 (234)

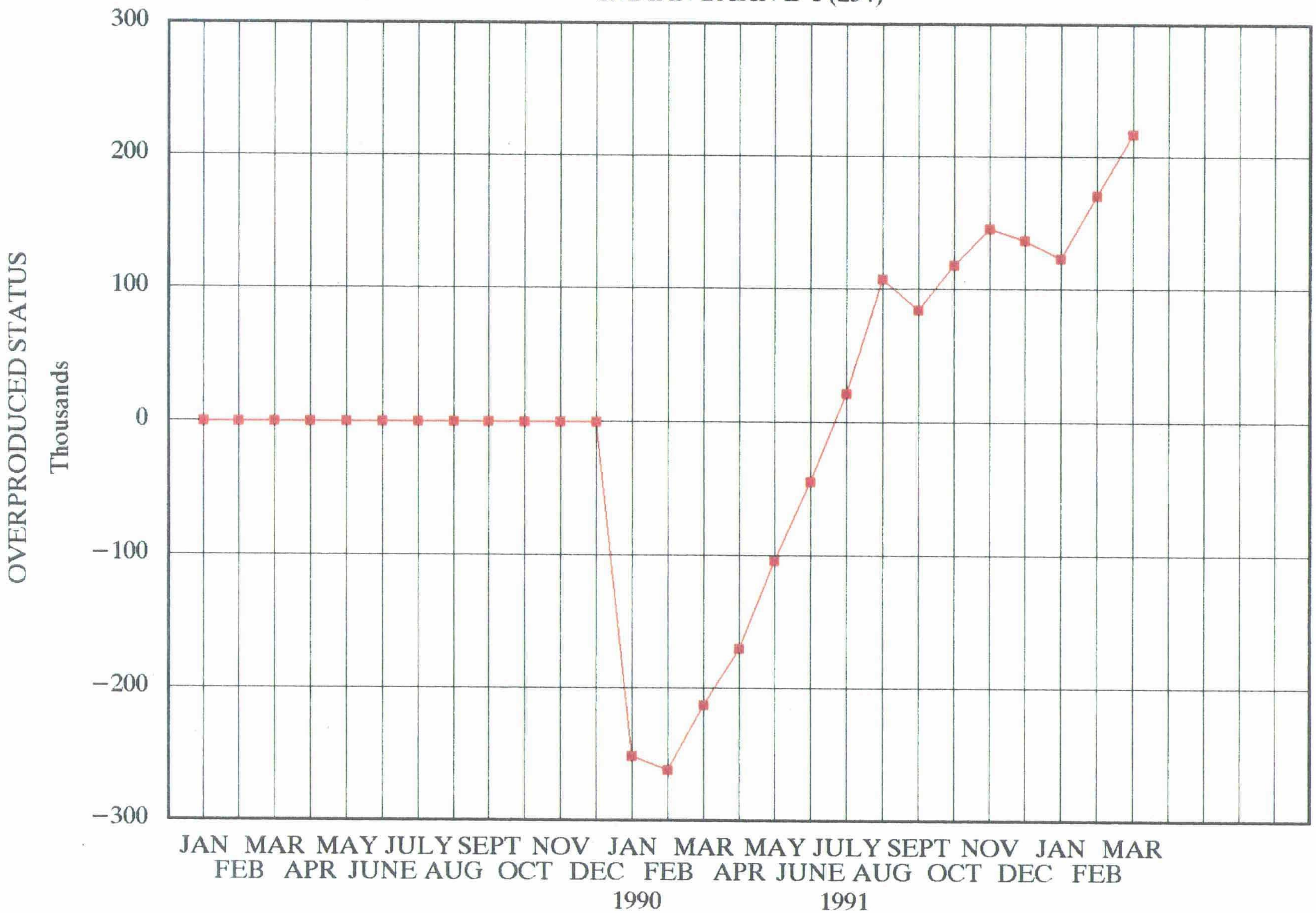


* MARGINAL WELL JAN. 1990 TO SEPT. 1991

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 5
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

INDIAN BASIN D 1 (234)

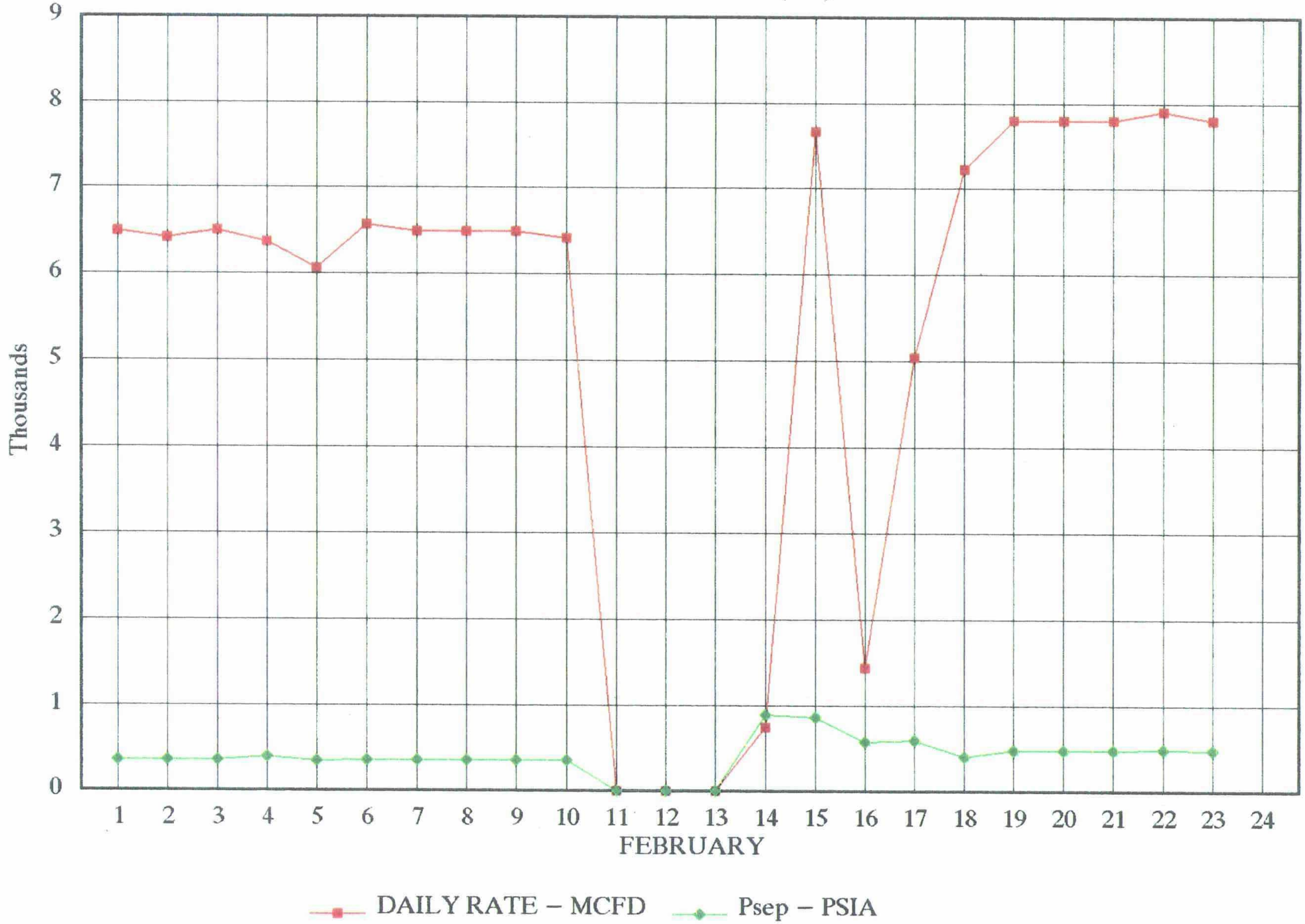


* MARGINAL WELL JANUARY 1990 – SEPTEMBER 1991

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 6
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

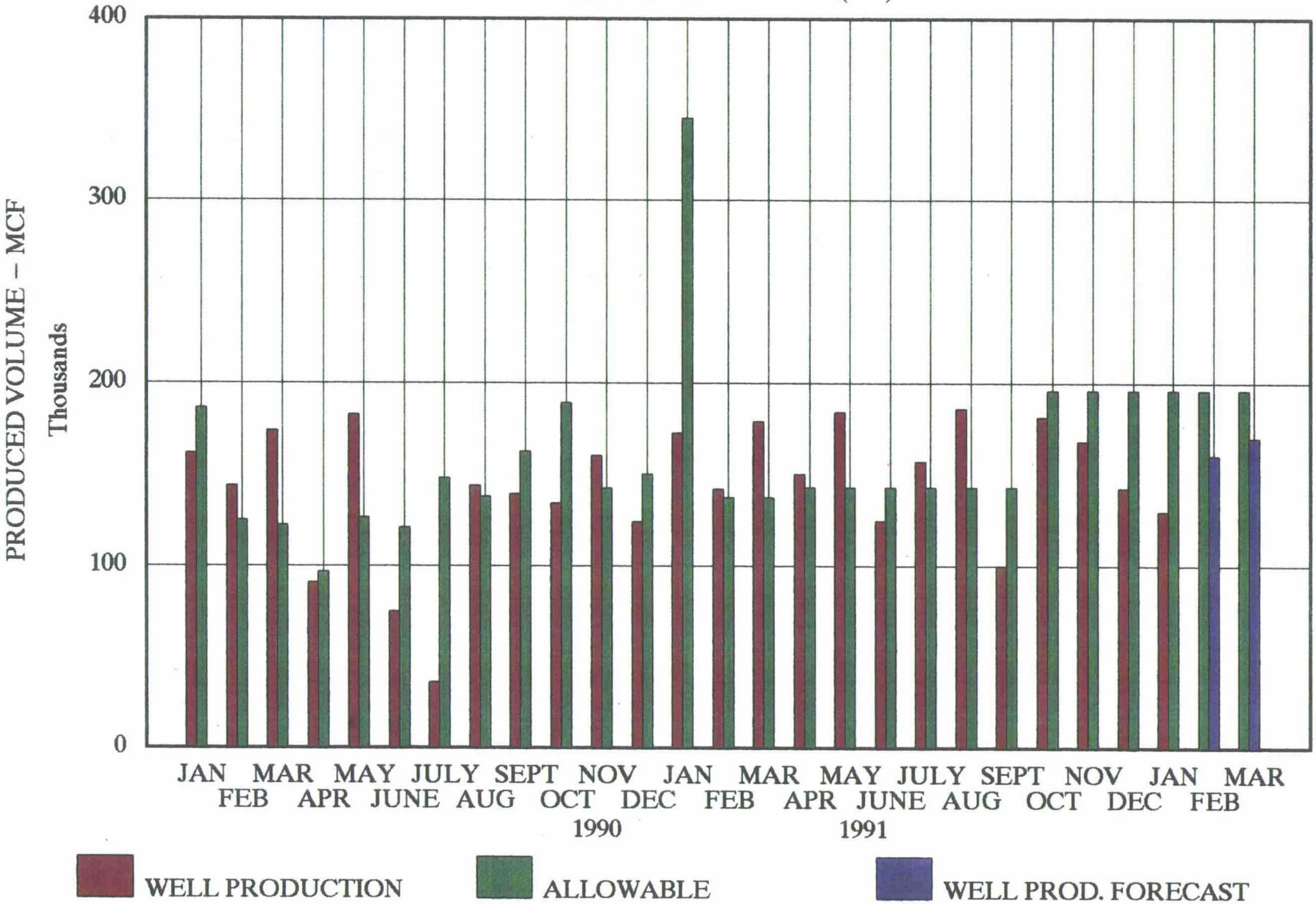
INDIAN BASIN D 1 (234)



Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 7
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

BOGLE FLATS UNIT 2 (304)

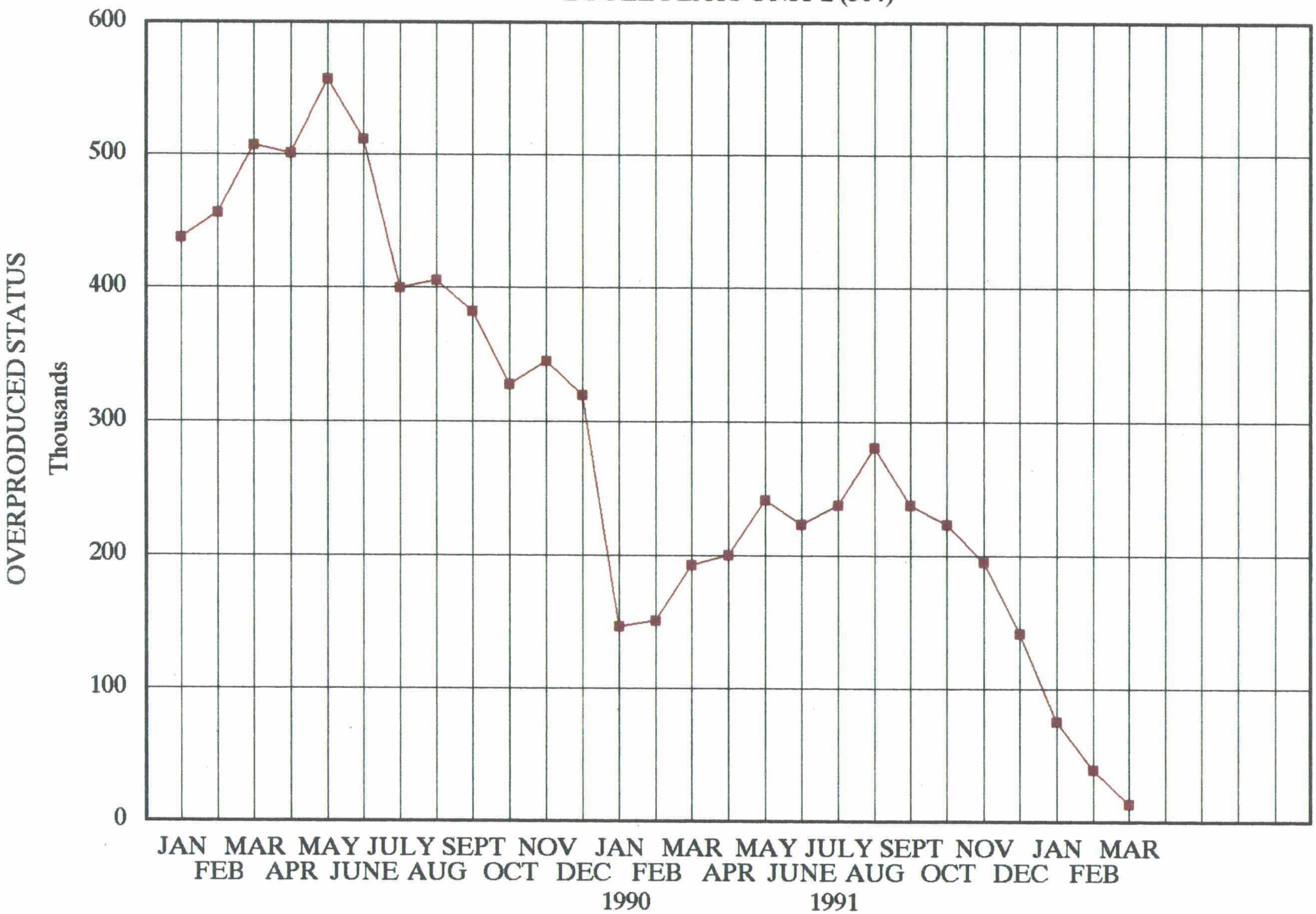


* NON–MARGINAL WELL THROUGHOUT PERIOD

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 8
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

BOGLE FLATS UNIT 2 (304)

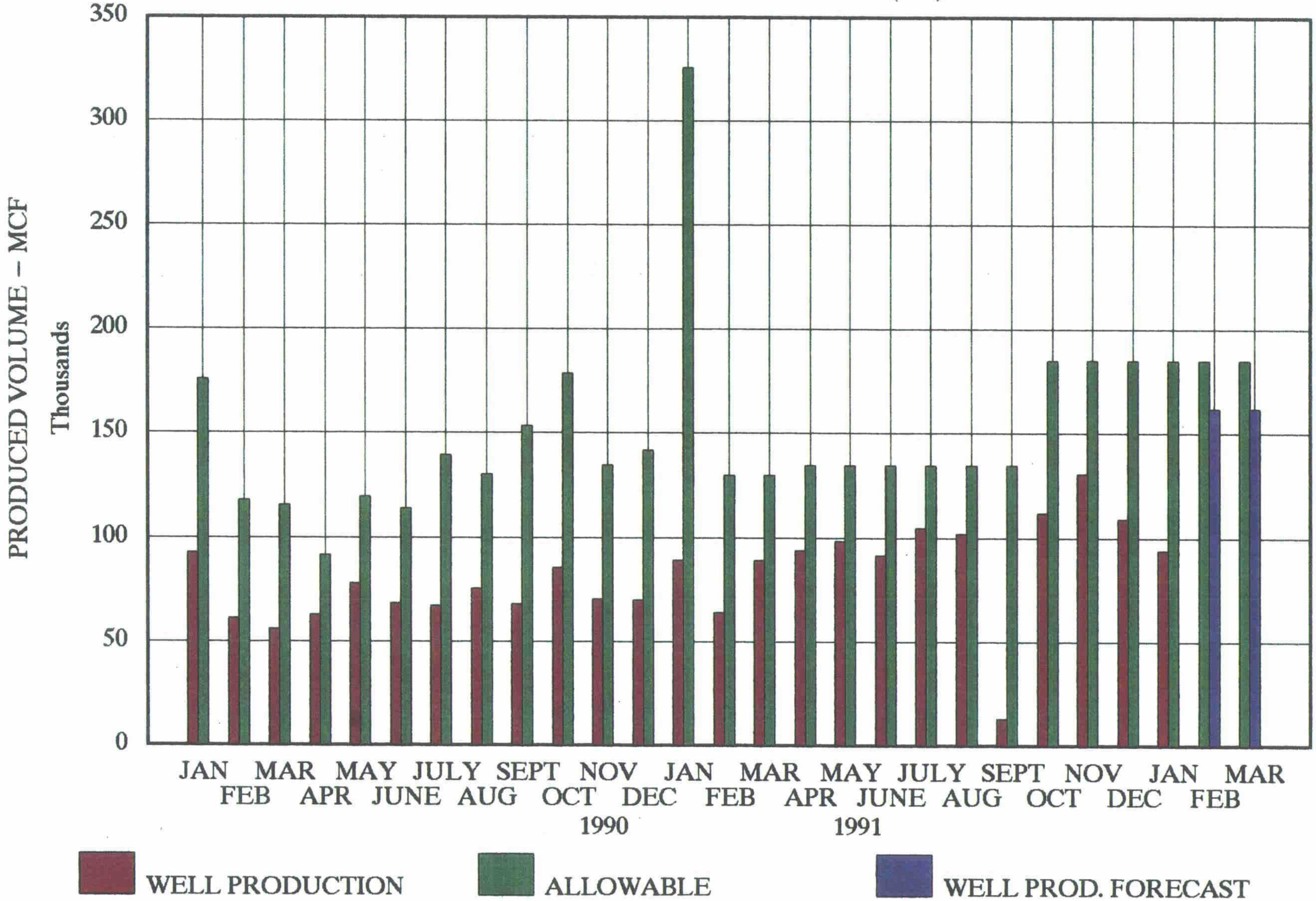


* NON-MARGINAL WELL THROUGHOUT PERIOD

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 9
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

NORTH INDIAN BASIN UNIT 4 (216)



* MARGINAL WELL

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 16
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 11
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

INDIAN BASIN FIELD

CAPITAL AND EXPENSE COSTS ASSOCIATED WITH PRODUCTION ENHANCEMENTS

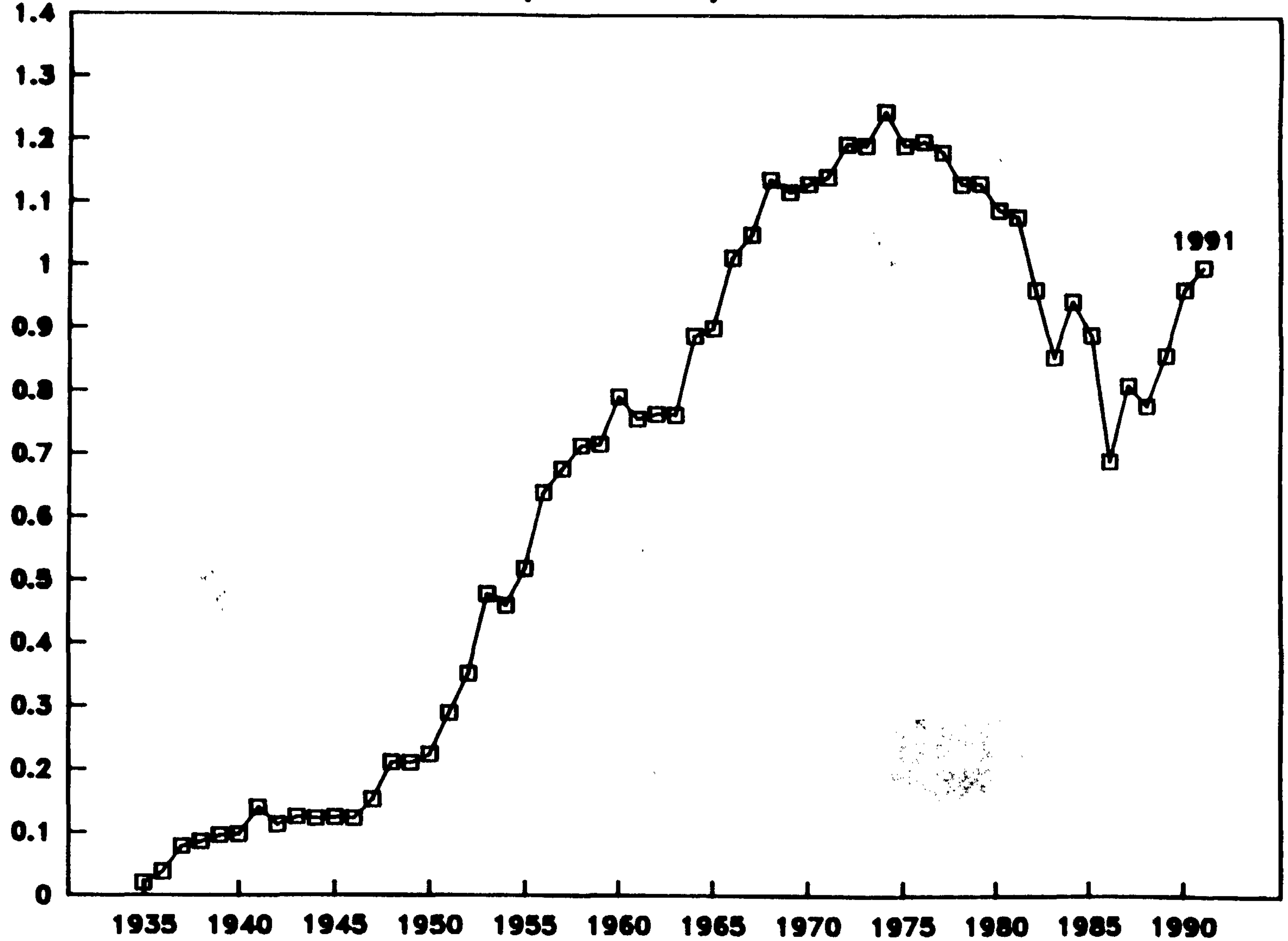
ADDITIONAL PERFORATIONS ADDED IN SIX WELLS	$300,245
UPGRADE FIVE PRODUCTION UNITS	$425,000
FIVE ADDITIONAL WELLHEAD COMPRESSORS INSTALLATION COSTS	$ 50,000

TOTAL COSTS	$775,245

OCD Exhibits 1 through 8

NEW MEXICO GAS PRODUCTION HISTORY

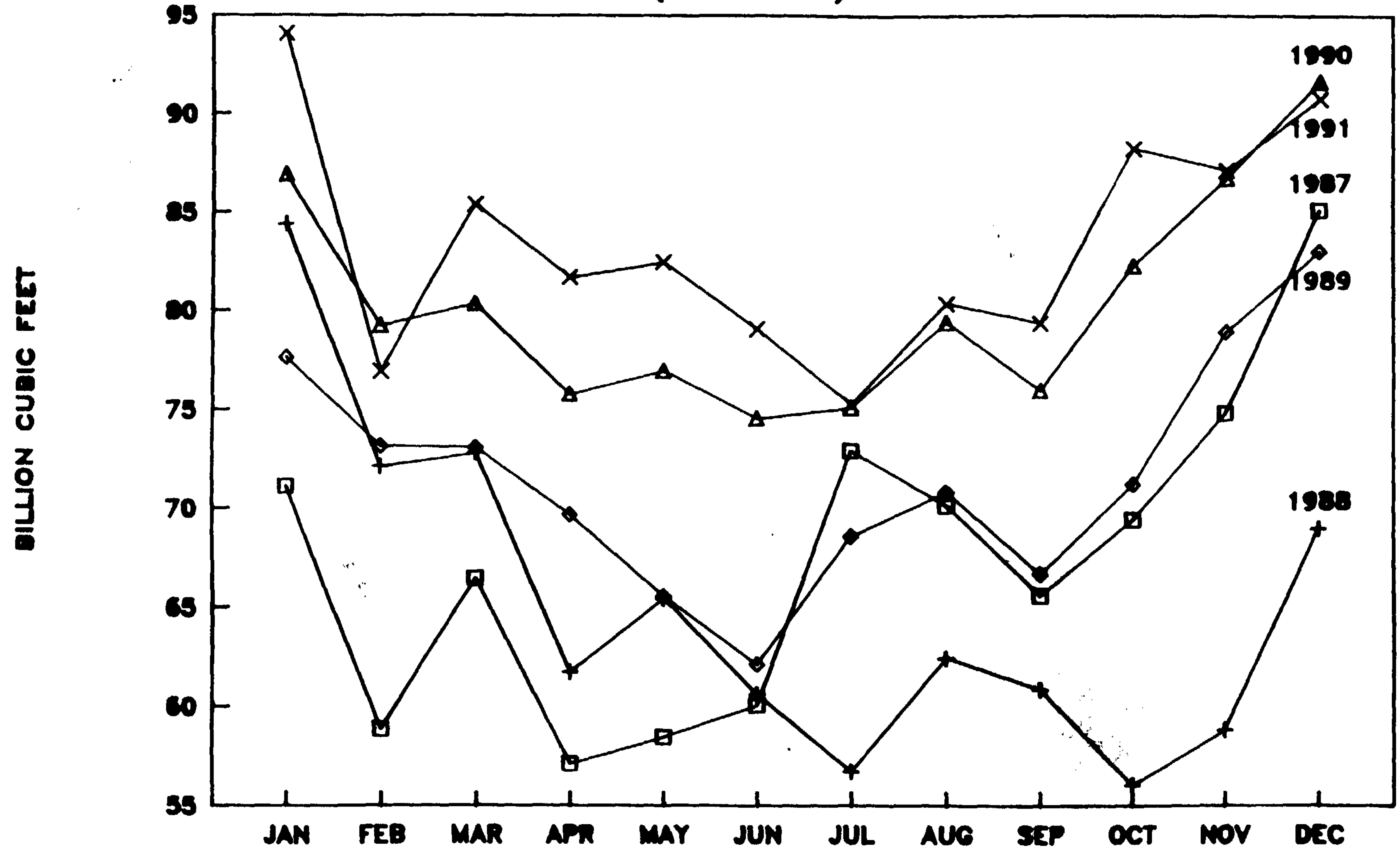
(1935 - 1990)



Exh. 1

MONTHLY NM NATURAL GAS PRODUCTION

(1/88–12/91)

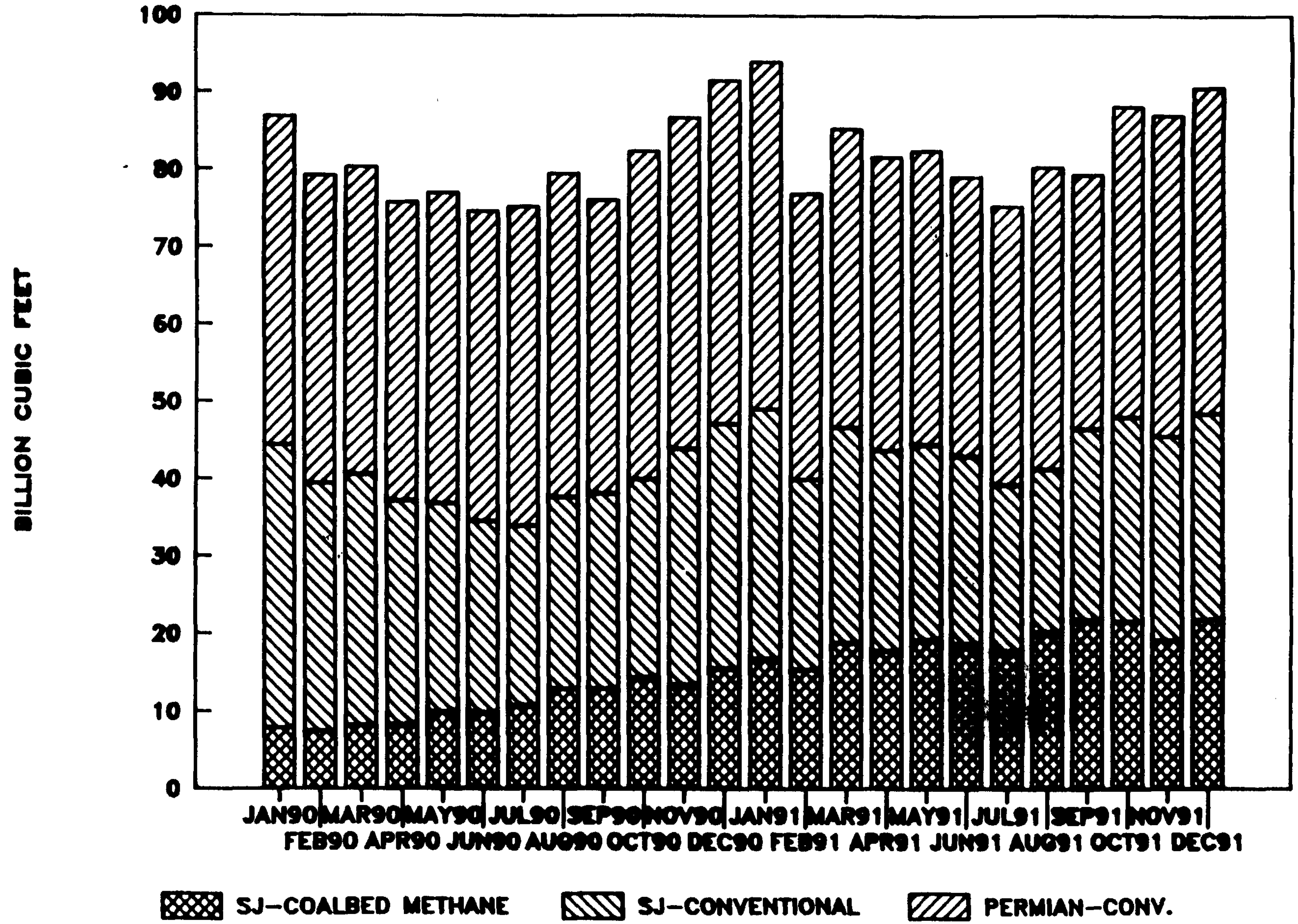


□ 1987 – 810.28 Bcf + 1988 – 781.17 Bcf ◇ 1989 – 860.84 Bcf

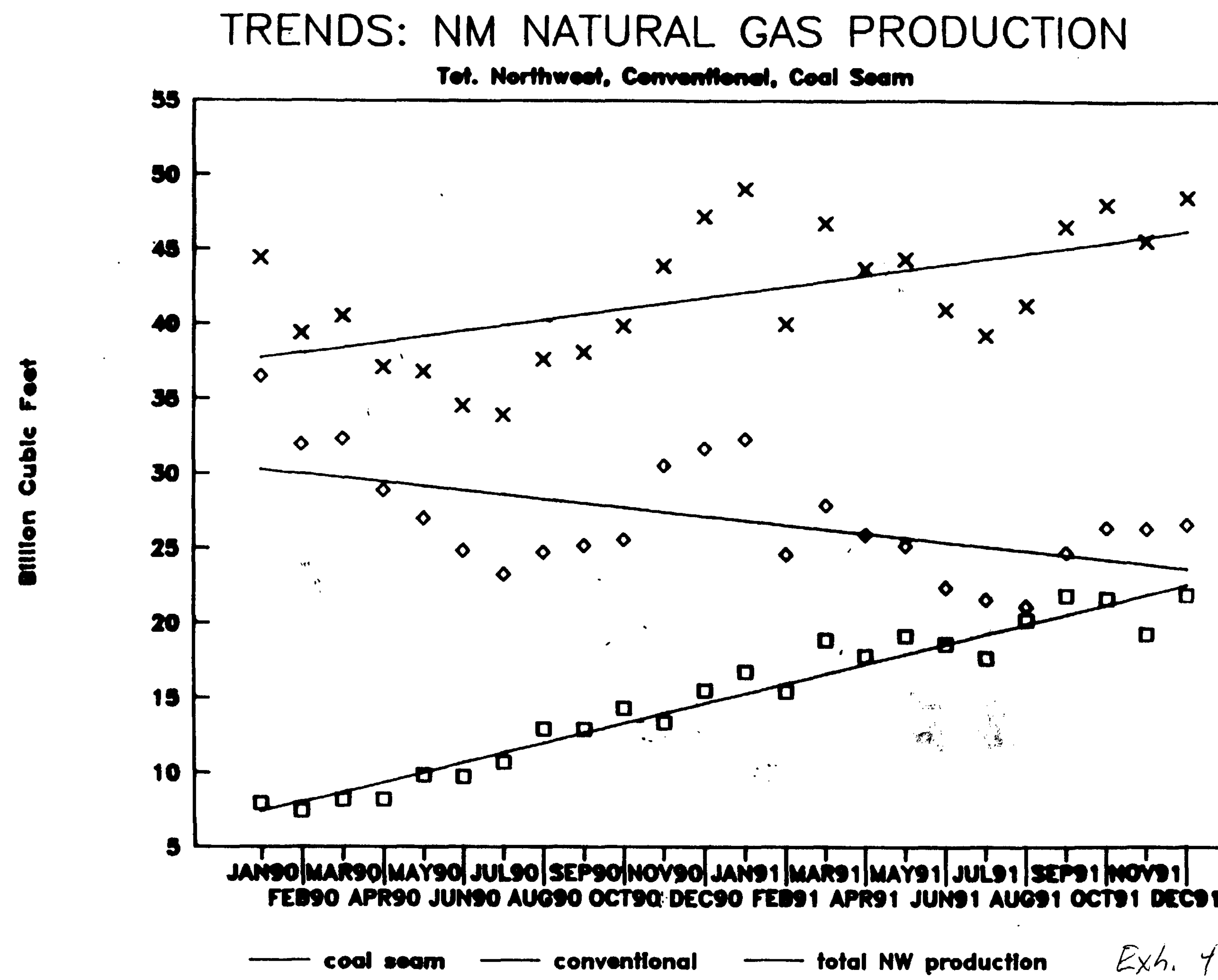
△ 1990 – 965.35 Bcf × 1991 1,000.86 Bcf

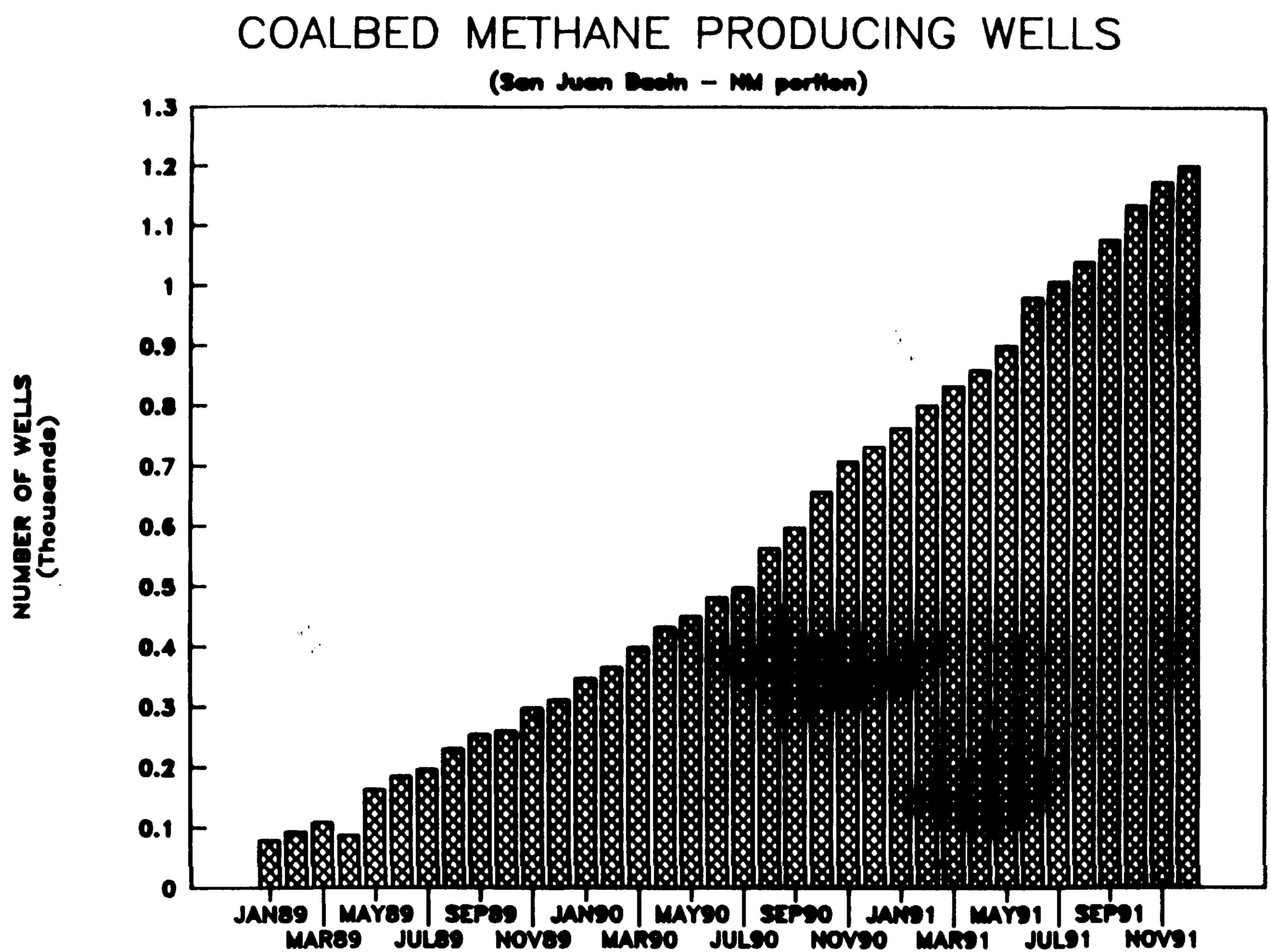
Exh. 2

NEW MEXICO NATURAL GAS PRODUCTION



Exh. 3

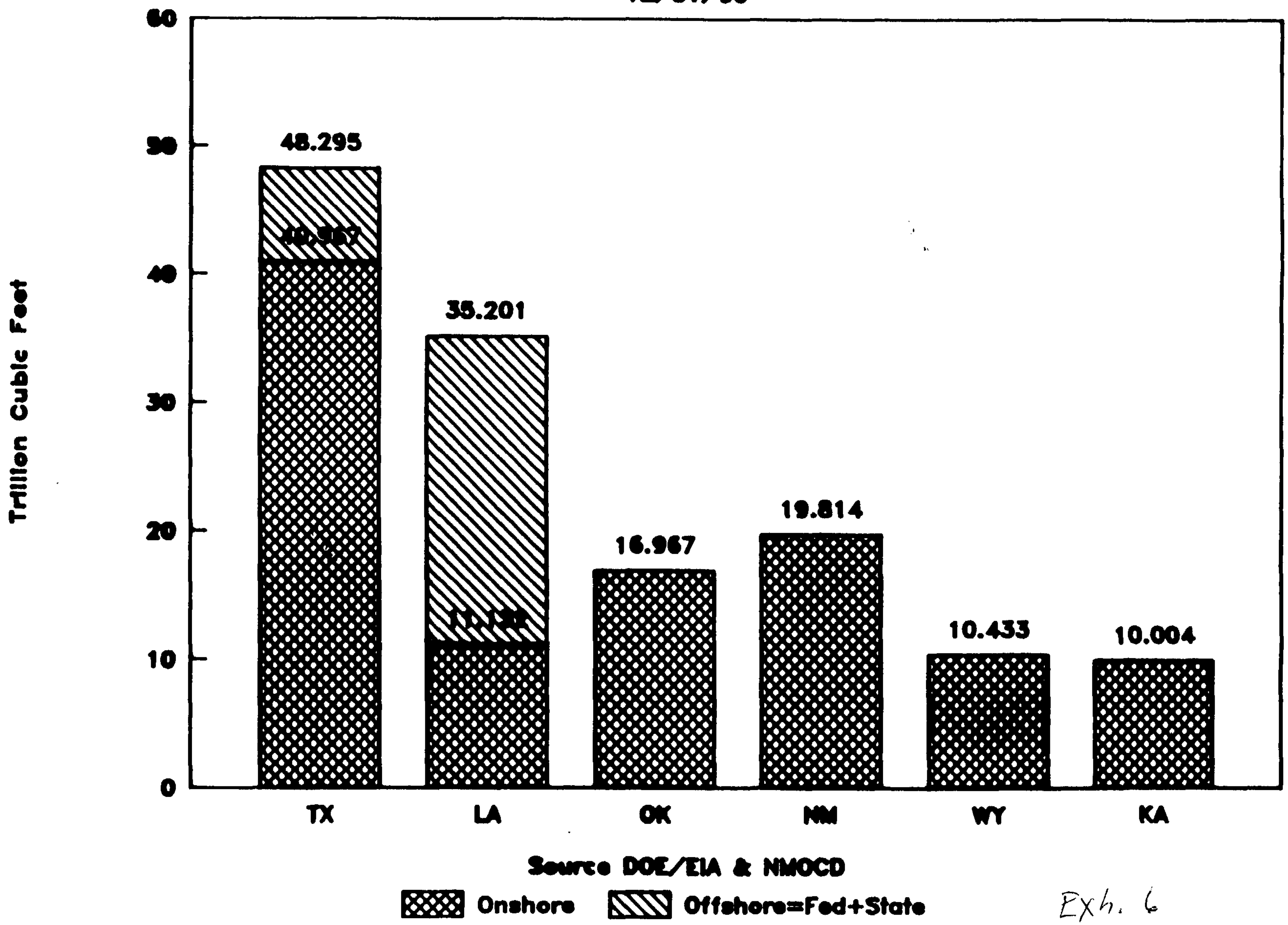

TRENDS: NM NATURAL GAS PRODUCTION
Tot. Northwest, Conventional, Coal Seam
Billion Cubic Feet
55
50
45
40
35
30
25
20
15
10
5
JAN90 FEB90 MAR90 APR90 MAY90 JUN90 JUL90 AUG90 SEP90 OCT90 NOV90 DEC90 JAN91 FEB91 MAR91 APR91 MAY91 JUN91 JUL91 AUG91 SEP91 OCT91 NOV91 DEC91
coal seam
conventional
total NW production
Exh. 4


COALBED METHANE PRODUCING WELLS
(San Juan Basin – NM portion)
NUMBER OF WELLS
(Thousands)
1.3
1.2
1.1
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
JAN89
MAR89
MAY89
JUL89
SEP89
NOV89
JAN90
MAR90
MAY90
JUL90
SEP90
NOV90
JAN91
MAR91
MAY91
JUL91
SEP91
NOV91

Exh. 5

Natural Gas Reserves Producing States

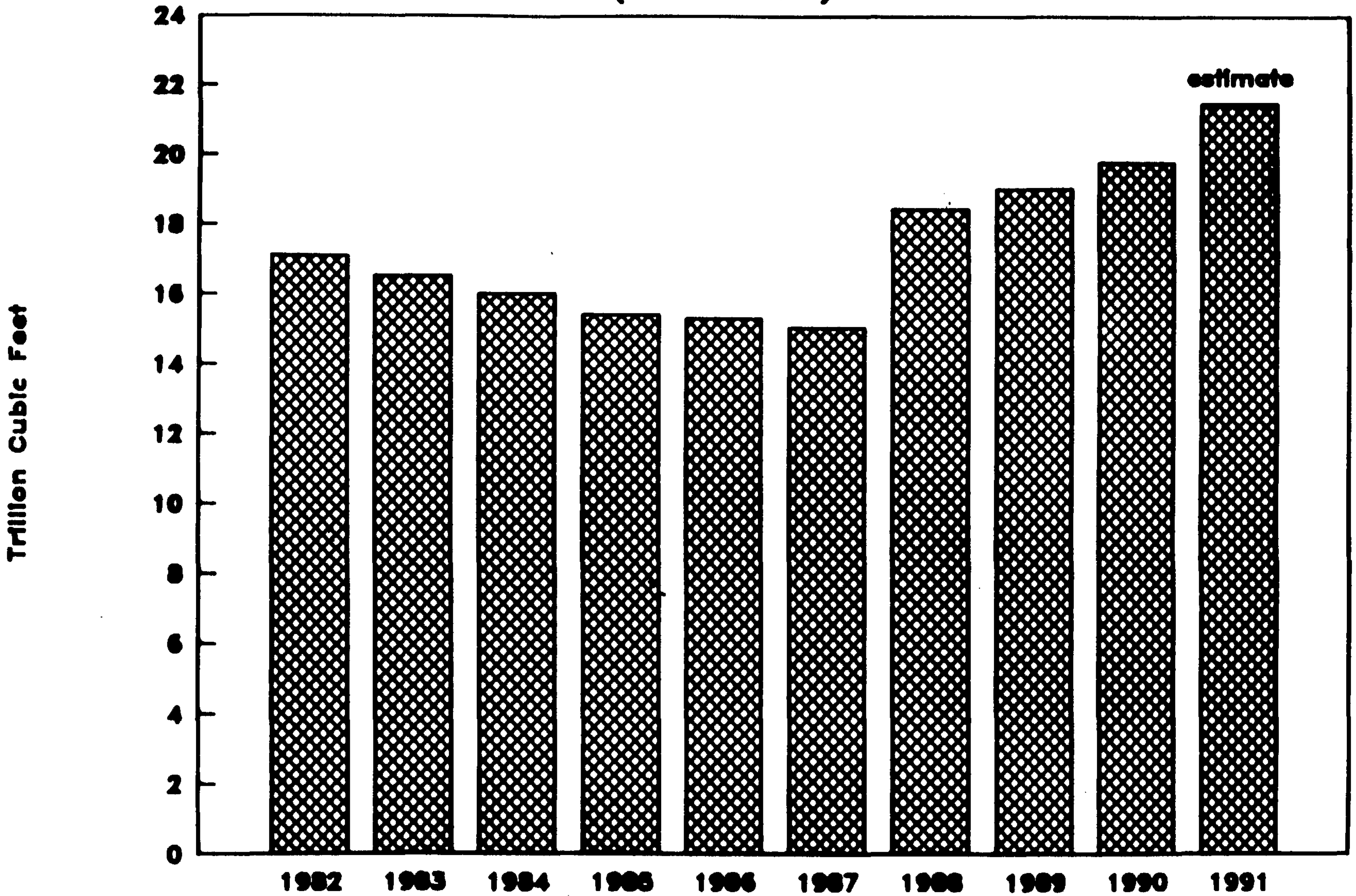
12/31/90



Exh. 6

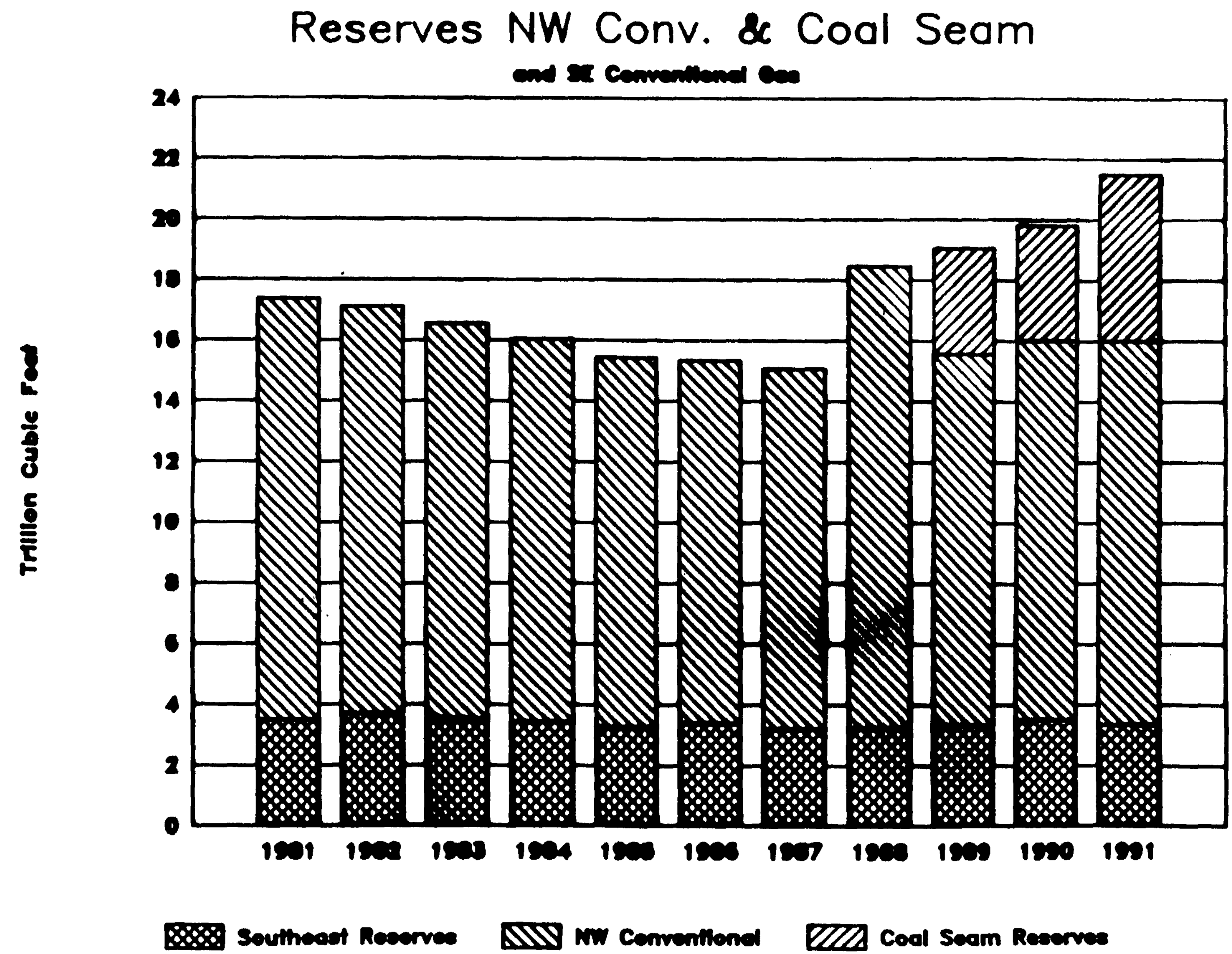
NEW MEXICO PROVEN NATURAL GAS RESERVES

(estimated 1991)



Source DOE/EIA, New Mexico EMNRD

Exh. 7


Reserves NW Conv. & Coal Seam
and SE Conventional Gas
Trillion Cubic Feet
0
2
4
6
8
10
12
14
16
18
20
22
24
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
Southeast Reserves
NW Conventional
Coal Seam Reserves

Exh. 8

Mid-Continent Region
Production United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

February 14, 1992

Marathon Exhibits A through G
Complete Set

To all Operators
Blinebry Pool
Lea County, New Mexico

Re: **Upcoming NMOCC Allowables Hearing**
Proposed Blinebry Allowables

Gentlemen:

Marathon has reviewed the preliminary allowable estimates recently issued by the New Mexico Oil Conservation Division which will provide the starting point for the hearings scheduled for February 27, 1992 on gas allowables for the upcoming allocation period (April 1992 - September 1992). Marathon intends to propose at the hearings that a sufficient positive adjustment be made to the preliminary monthly pool allowable for the Blinebry Pool in order to increase the monthly acreage allocation factor (F1 factor) for Blinebry non-marginal wells, from the 24,906 mcf per month set out on the preliminary table, to 45,000 mcf per month.

To the best of Marathon's knowledge, such an F1 factor, if adopted, would allow all non-marginal wells in the field (with an acreage factor of 1.00) to produce to their full capabilities. Marathon intends to produce its wells through the coming allocation period at the highest level which the Oil Conservation Commission will approve. Marathon has the markets to sell the additional gas which would be produced under its proposal, and believes that the other operators in the field would be able to find purchasers for their additional production as well. The transportation systems which serve the field are more than adequate to deal with the additional production which would result from the adoption of Marathon's proposal. No operator, whether it operates marginal or non-marginal wells, would have its ability to market its gas inhibited by Marathon's proposal.

Marathon asks that you support its request to increase the allowables for the Blinebry pool. If at all possible, Marathon asks that you provided it with a letter prior to February 27, 1992 whereby you indicate your support for Marathon's proposal. If you have any questions with regard to Marathon's proposal, please feel free to call Marathon Senior Reservoir Engineer, Ron Folse, at (915) 687-8240.

Sincerely,

T. N. Tipton

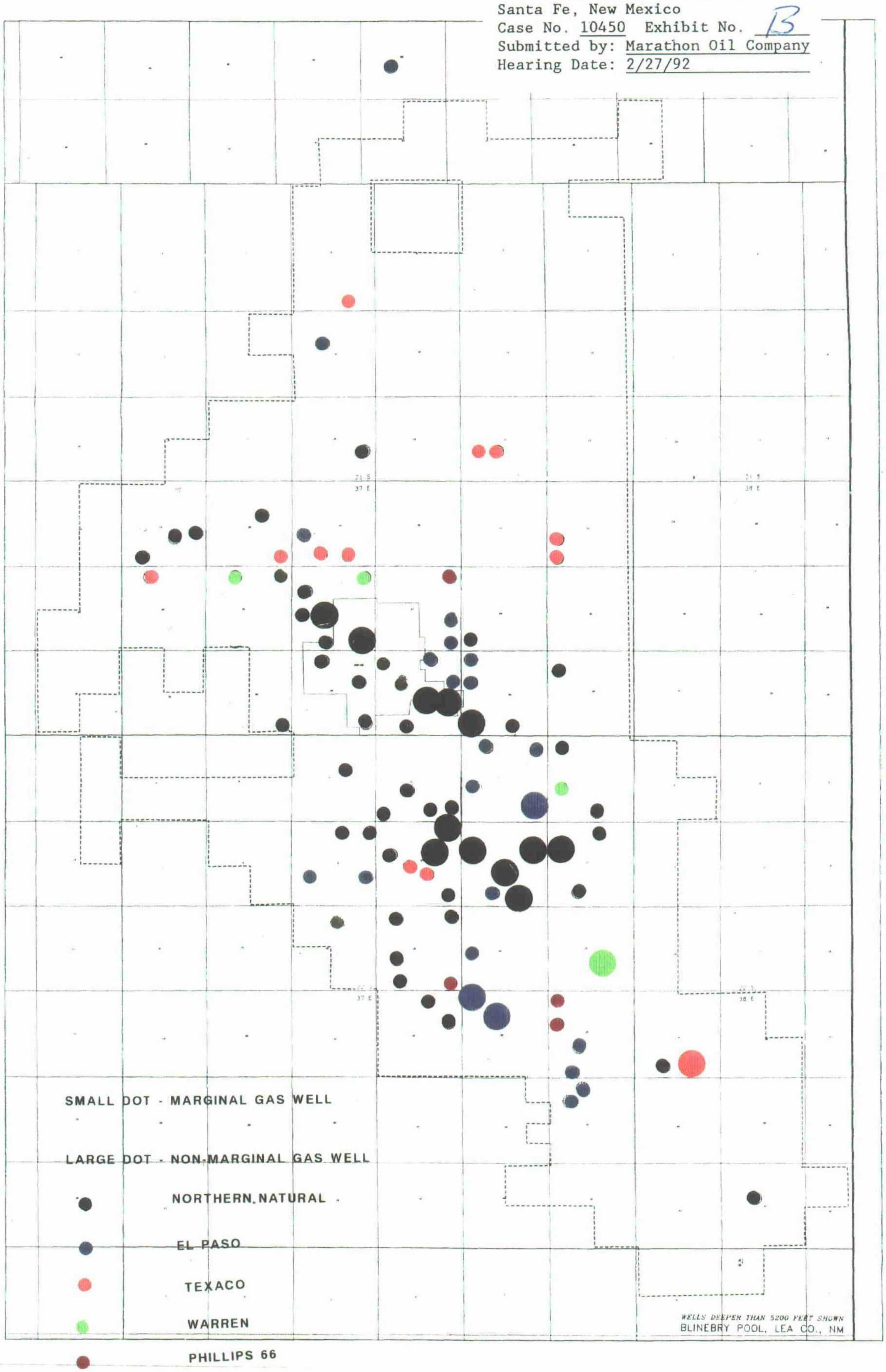
T. N. Tipton
Engineering Manager

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. A
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

TCL6/le

BLINEBRY POOL

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. B
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92



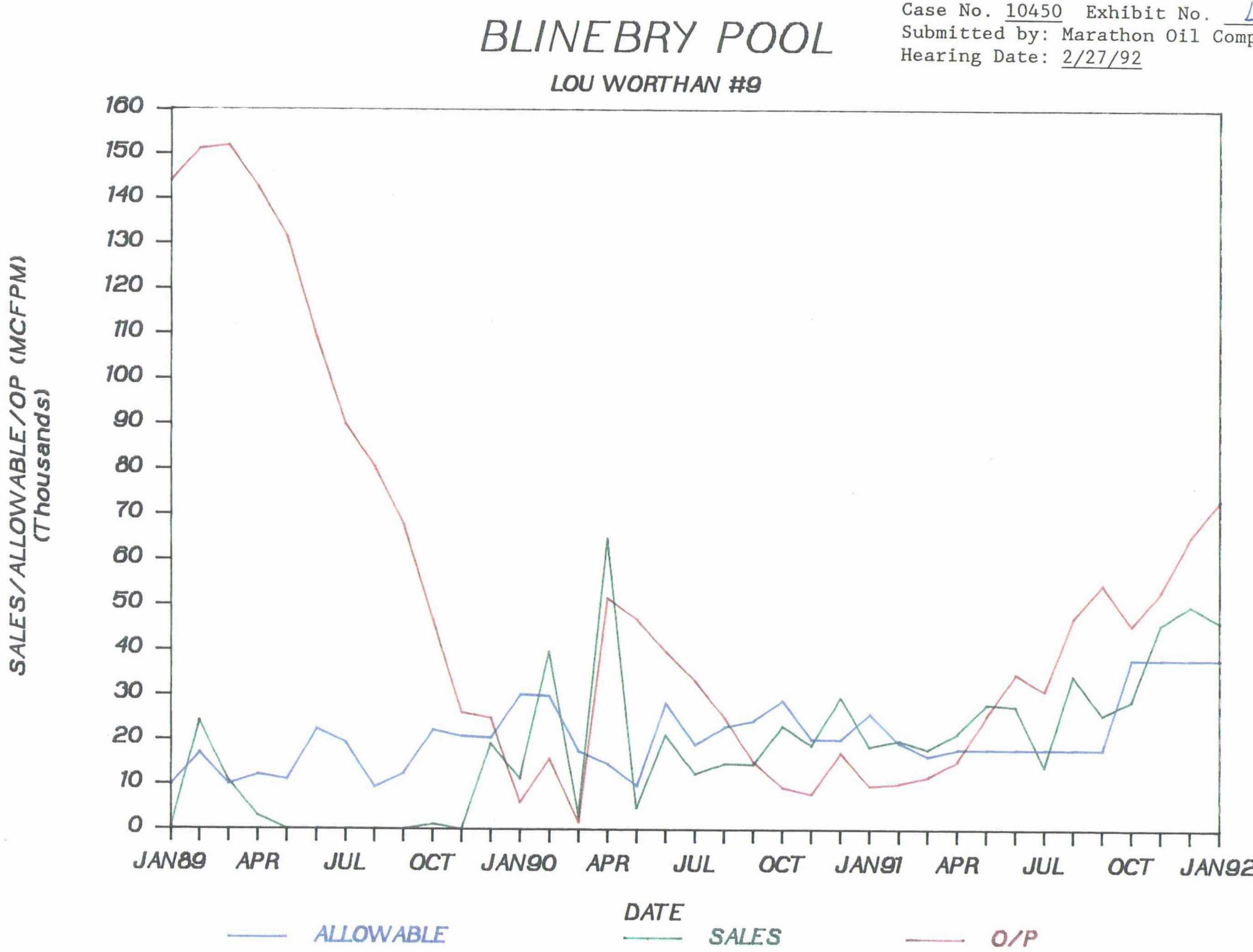
BLINEBRY ALLOWABLES

	PRELIMINARY FROM OCD	PROPOSED BY MOC
Average Monthly Pool Sales April, 1991 - September, 1991	355,001	~~355,001~~ 357,110
Adjustments	0	205,955 224,841
Monthly Pool Allowable April, 1992 - September, 1992	355,001	560,956 581,951
Monthly Marginal Pool Allowable April, 1992 - September, 1992	99,706	99,706
Monthly Non-Marginal Pool Allowable April, 1992 - September, 1992	255,295	458,000 461,250
Number of Non-Marginal Acreage Factors	10.25	10.25
Monthly Acreage Allocate Factor April, 1992 - September, 1992	24,906	45,000

Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. C
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

MTW/035.274/sk

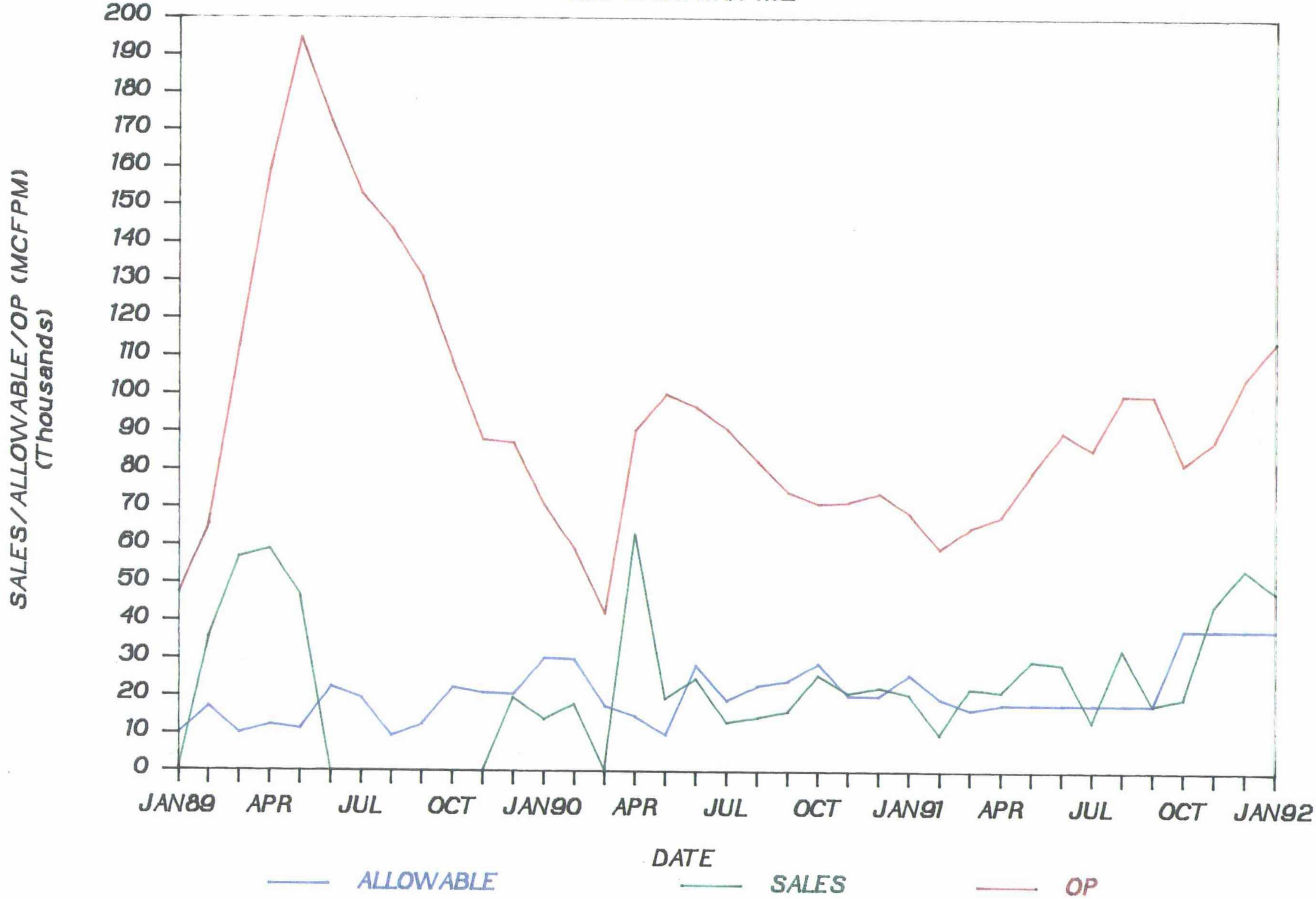
Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. D
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92



Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. E
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

BLINEBRY POOL

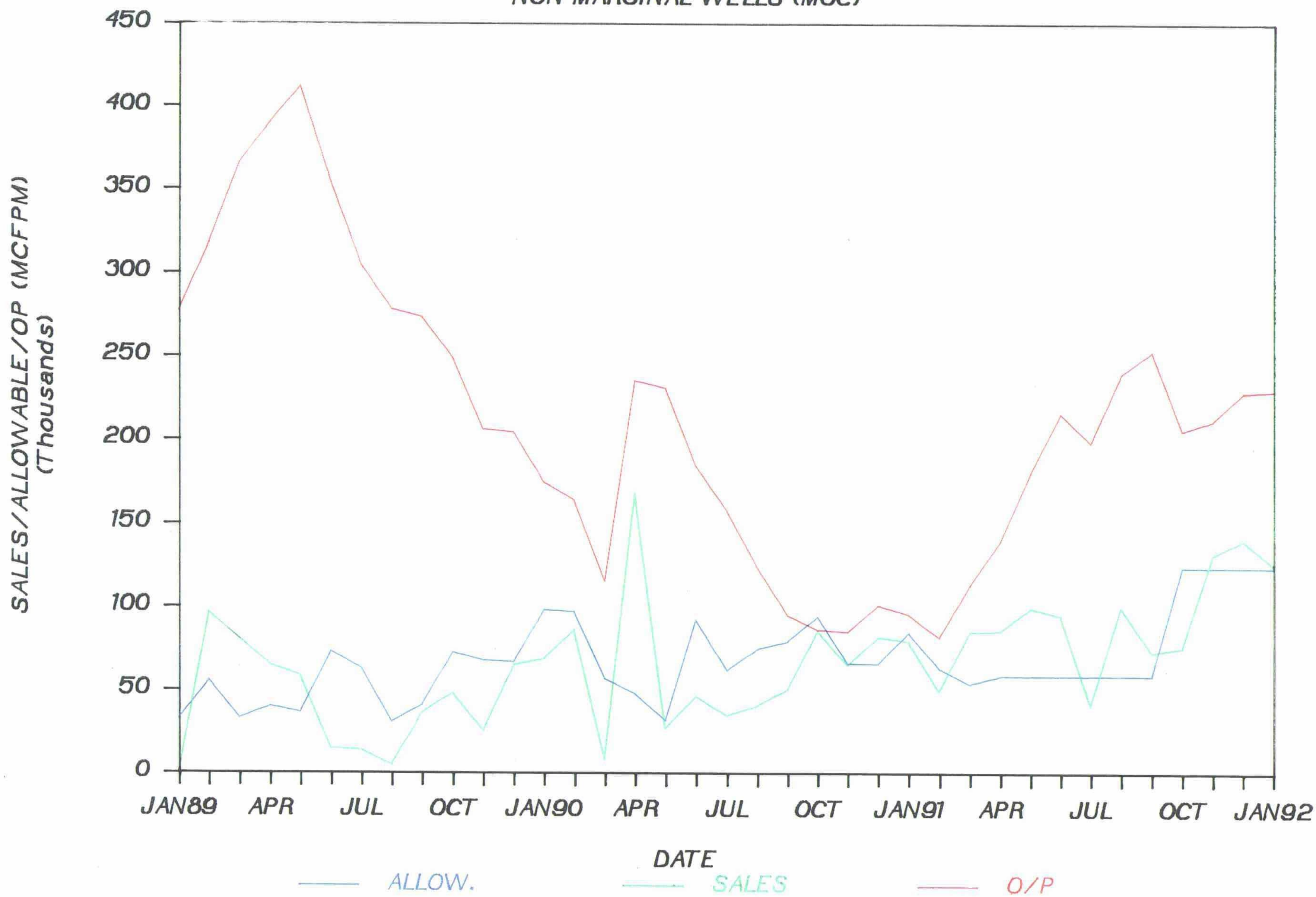
LOU WORTHAN #12



Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. F
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

BLINEBRY POOL

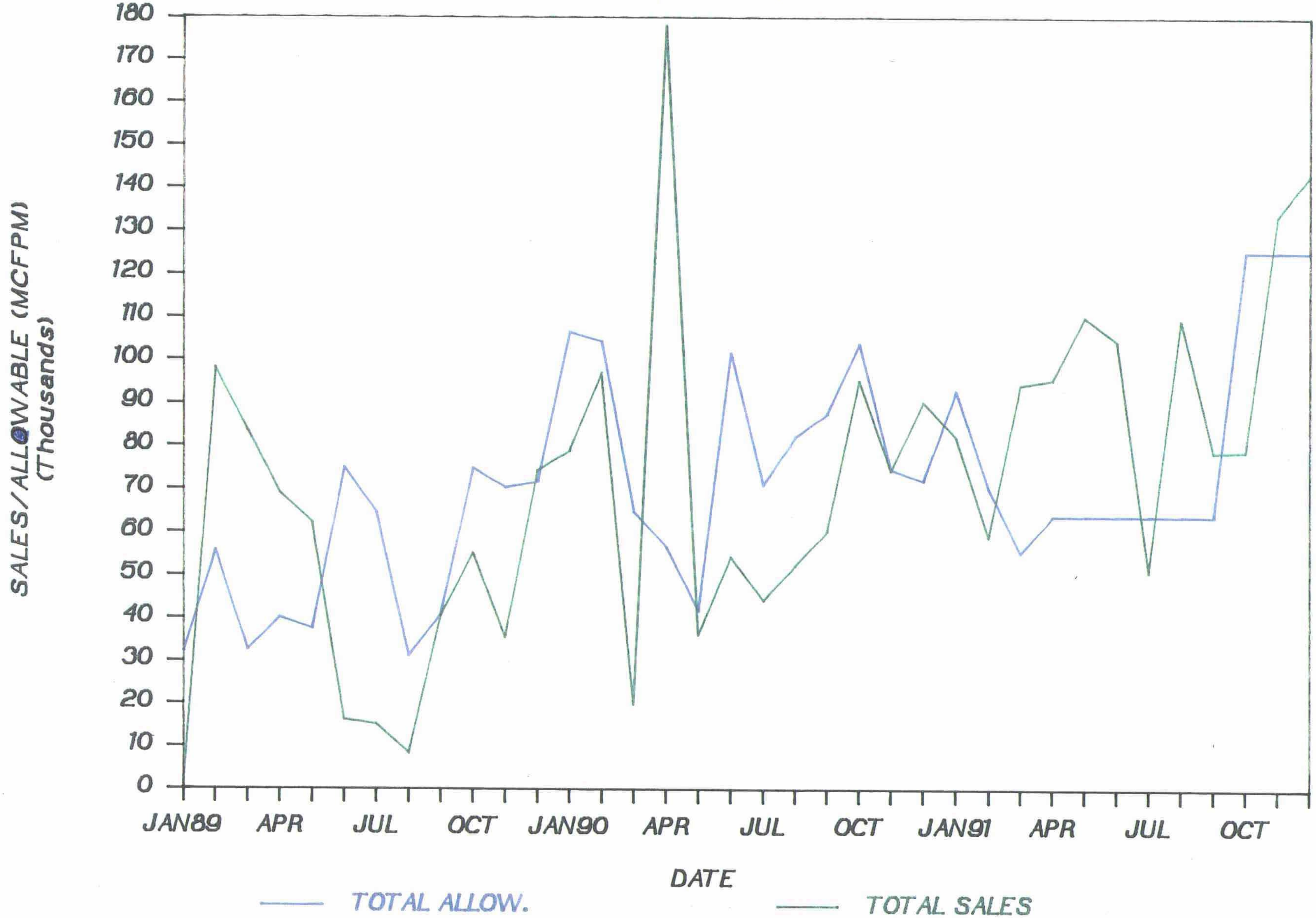
NON MARGINAL WELLS (MOC)



Before The
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 6
Submitted by: Marathon Oil Company
Hearing Date: 2/27/92

DRINKARD FIELD

BLINEBRY POOL (MOC)



Phillips Exhibits 1 through 5

BASIN DAKOTA GAS POOL

3797 active wells

1462 show winter production greater than summer production by 2:1

38.5% of wells seasonally curtailed

Winter production more representative of true pool deliverability

Lowers total pool allowable for both summer period and annually overall

Correlative rights not a tangible issue

Phillips Petroleum Exhibit #1

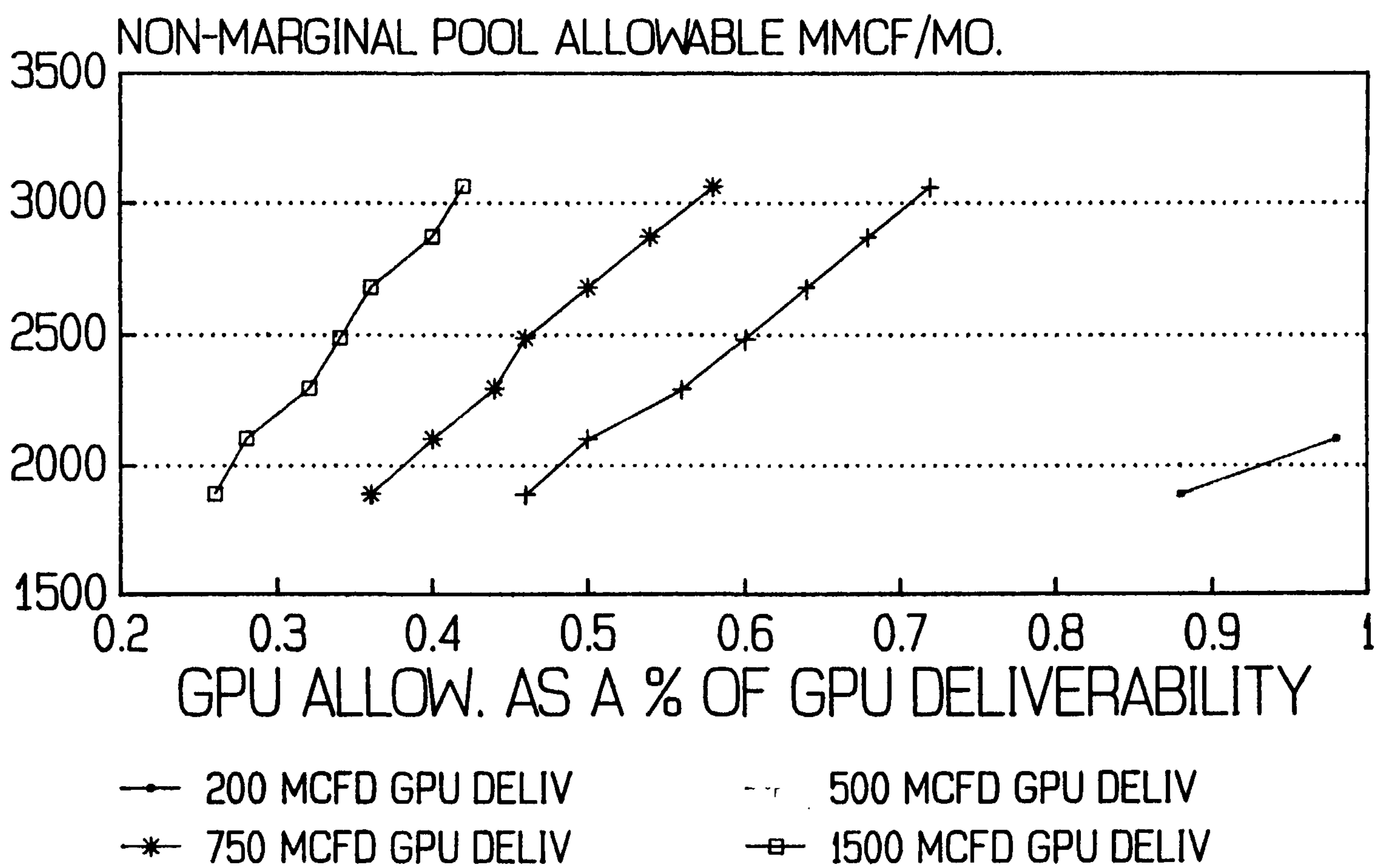
BASIN DAKOTA PRORATION ALLOWABLE PERIOD 4/92 – 9/92
EFFECT OF NON–MARGINAL POOL ALLOWABLE ON GPU ALLOWABLE

NON MARGINAL POOL ALLOWABLE		1890379	2105606	2297025	2488444	2679863	2871281	3062700
NO. OF NON MARGINAL ACREAGE FACTORS		260.29	260.29	260.29	260.29	260.29	260.29	260.29
NON MARGINAL AD FACTORS		153135	153135	153135	153135	153135	153135	153135
F1 MO. ACREAGE ALLOCATION FACTOR		4357.55	4853.67	5294.92	5736.16	6177.40	6618.65	7059.89
F2 MO. AD ALLOCATION FACTOR		4.93781	5.5	6	6.5	7	7.5	8
GPU DELIVERABILITY MCFD	**200**							
GPU ACREAGE FACTOR	1							
ACREAGE PORTION OF ALLOWABLE 60% M		4357.55	4853.67	5294.92	5736.16	6177.40	6618.65	7059.89
AD PORTION OF ALLOWABLE 40% MCF/MO		987.562	1100	1200	1300	1400	1500	1600
TOTAL GPU ALLOWABLE MCF/MO		5345.11	5953.67	6494.92	7036.16	7577.40	8118.65	8659.89
GPU ALLOWABLE, % OF DELIVERABILITY		0.87913	0.97922	1.06824	1.15726	1.24628	1.33530	1.42432
GPU DELIVERABILITY MCFD	**500**							
GPU ACREAGE FACTOR	1							
ACREAGE PORTION OF ALLOWABLE 60% M		4357.55	4853.67	5294.92	5736.16	6177.40	6618.65	7059.89
AD PORTION OF ALLOWABLE 40% MCF/MO		2468.90	2750	3000	3250	3500	3750	4000
TOTAL GPU ALLOWABLE MCF/MO		6826.45	7603.67	8294.92	8986.16	9677.40	10368.6	11059.8
GPU ALLOWABLE, % OF DELIVERABILITY		0.44910	0.50024	0.54571	0.59119	0.63667	0.68214	0.72762
GPU DELIVERABILITY MCFD	**750**							
GPU ACREAGE FACTOR	1							
ACREAGE PORTION OF ALLOWABLE 60% M		4357.55	4853.67	5294.92	5736.16	6177.40	6618.65	7059.89
AD PORTION OF ALLOWABLE 40% MCF/MO		3703.35	4125	4500	4875	5250	5625	6000
TOTAL GPU ALLOWABLE MCF/MO		8060.90	8978.67	9794.92	10611.1	11427.4	12243.6	13059.8
GPU ALLOWABLE, % OF DELIVERABILITY		0.35354	0.39380	0.42960	0.46540	0.50120	0.53700	0.57280
GPU DELIVERABILITY MCFD	**1500**							
GPU ACREAGE FACTOR	1							
ACREAGE PORTION OF ALLOWABLE 60% M		4357.55	4853.67	5294.92	5736.16	6177.40	6618.65	7059.89
AD PORTION OF ALLOWABLE 40% MCF/MO		7406.71	8250	9000	9750	10500	11250	12000
TOTAL GPU ALLOWABLE MCF/MO		11764.2	13103.6	14294.9	15486.1	16677.4	17868.6	19059.8
GPU ALLOWABLE, % OF DELIVERABILITY		0.25798	0.28736	0.31348	0.33960	0.36573	0.39185	0.41798

Note: Calculations assume that the number of non–marginal acre factors and Acreage x Deliverability factors remains as proposed. Therefore, a change in the F2 factor results in a F1 factor change.

PHILLIPS PETROLEUM EXHIBIT # 2

BASIN DAKOTA ALLOWABLE 4/92 - 9/92
EFFECT OF NON-MARG. ALLOWABLE ON GPU



PHILLIPS PETROLEUM EXHIBIT #3

COMPARISON OF BASIN DAKOTA AND BLANCO MESAVERDE F1 & F2 FACTORS
PROPOSED APRIL 1992 TO SEPT. 1992

F1 FACTOR COMPARISON

Basin Dakota F1 = 4357 - (.6)*(Non-Marginal Pool Allowable)/(Sum of Non-Marginal Acreage Factors)

4357/.6 = 7262

Blanco Mesaverde F1 = 2815 = (.25)*(Non-Marginal Pool Allowable)/(Sum of Non-Marginal Acreage Factors)

2815/.25 = 11260

The above comparison shows that the (Non-Marginal Pool Allowable)/(Sum of Pool Acreage Factor) is lower for a Dakota well than a Mesaverde well. A Basin Dakota F1 factor of 6756 would be required to yield the same allowable/acreage product of 11260 proposed for the Mesaverde.

F2 FACTOR COMPARISON

Basin Dakota F2 = 4.937812 = (.4)*(Non-Marginal Pool Allowable)/(Sum of the Non-Marginal AD factors)

4.937812/.4 = 12.34

Blanco Mesaverde F2 = 12.808861 = (.75)*(Non-Marginal Pool Allowable)/(Sum of the Non-Marginal AD factors)

12.808861/.75 = 17.08

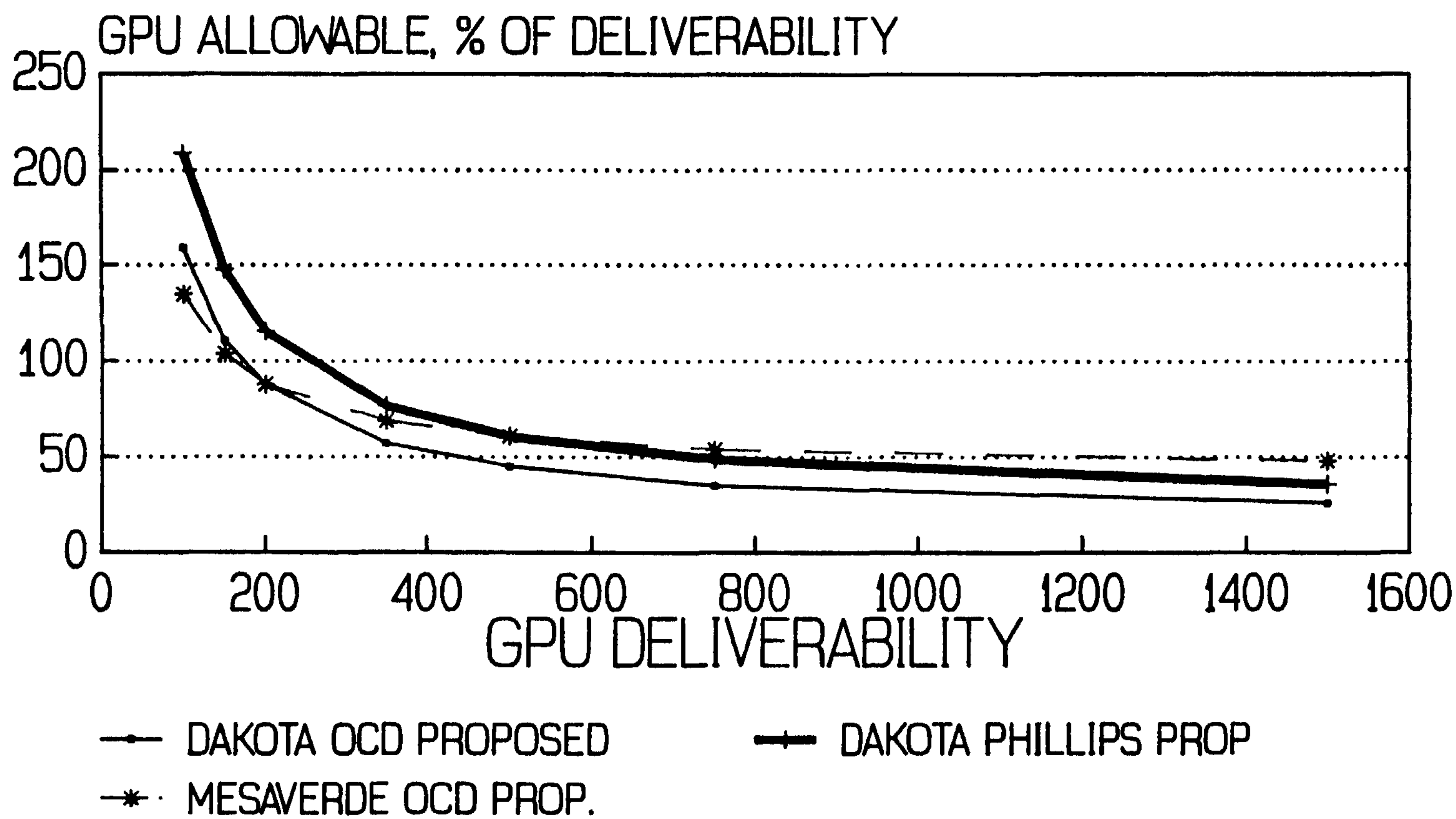
The above comparison shows that the (Non-Marginal Pool Allowable)/(Sum of the Non-Marginal AD factors) is lower for a Dakota well than a Mesaverde well. A Basin Dakota F2 factor of 6.83 would be required to yield the same allowable/AD factor product of 17.08 proposed for the Mesaverde.

CONCLUSIONS

An F1 and F2 factor comparison between Basin Dakota and Blanco Mesaverde pools show that the factors should be increased substantially for the Basin Dakota pool to assure proration equality among pools.

Using the recommended F1 and F2 factors of 6756 and 6.83 respectively, for the Basin Dakota will result in comparable allowables between the two formations for individual GPU's with deliverabilities equal to the average for that formation. Basin Dakota average deliverability is 588 MCFD. Mesaverde average deliverability is 659 MCFD.

BASIN DAKOTA ALLOWABLE 4/92-9/92
GPU ALLOWABLE VS DELIVERABILITY



Phillips proposed line is based on f1 of
5630 and f2 of 7.32
Phillips Petroleum Exhibit #5

Hallwood Exhibits 1 and 2

STATE OF NEW MEXICO

Oil Conservation Division

February 27, 1992 Hearing
for
Prorated Gas Allowables For
April 1992 - September 1992

Summary Comments and Exhibits

By

Hallwood Petroleum, Inc.

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

- This proration unit currently meets the requirements for reclassification to a marginal unit.

- This proration unit was last in a zero over-under status in April 1989. The unit was overproduced as much as 226,500 MCF since then, but has "worked off" all overproduction and went into an underproduced status in October 1991.

- This proration unit's production is now less than assigned monthly allowables.

- Due to higher F1 factors this proration unit is now 396,191 MCF underproduced as of 3/1/92.

do it prorated

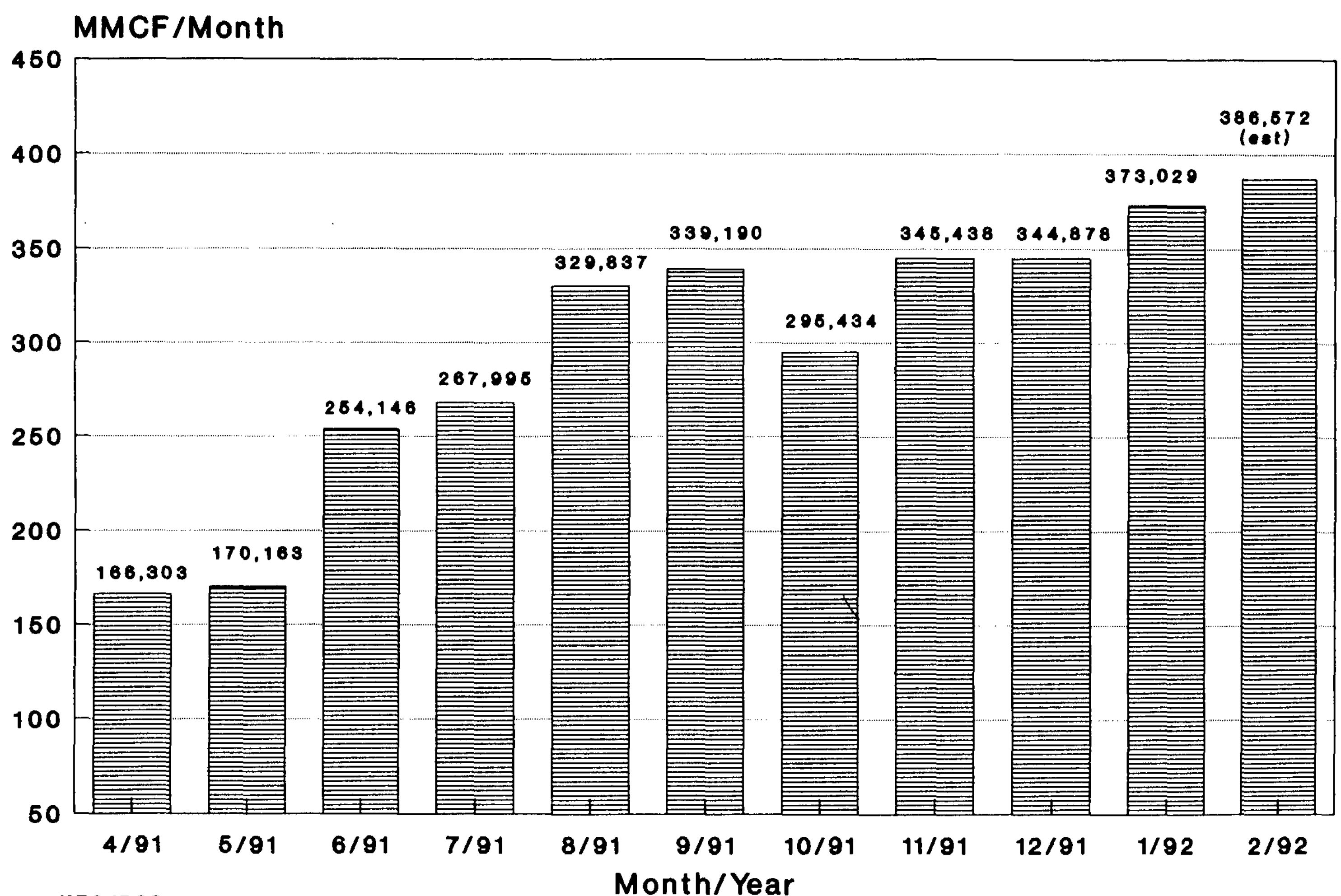
- This proration unit is a good example of the positive effect of raising field allowables, as the proration unit is now producing at full capacity (unrestricted rates average 1166 MCFD) where as previously, (1/90 to 3/91) production time only averaged 44%. This has increased total revenue to the working interest owners and the state.

CATCLAW DRAW (MORROW) FIELD
Comparison of Preliminary Allowable Estimate

		OCD No's MCF/Month	Hallwood No's MCF/Month
(1)	Average Monthly Pool Sales, 4/91 - 9/91	179,266	254,604
(2)	Total Nominations	-	383,500 (Ave)
(3)	Adjustments	242,634	174,183
(4)	Monthly Pool Allowable, 4/92 - 9/92	421,900	428,787
(5)	Monthly Marginal Pool Allowable, 10/91 - 12/91	152,800	279,020
(6)	Monthly Non-Marginal Pool Allowable, 4/92 - 9/92	269,100	149,767
(7)	Number of Non-marginal Acreage Factors	2.99 (Incorrect)	1.00 (CCD #9)
(8)	Monthly Acreage Factor (F1) 4/92 - 9/92	90,000	149,767

Recent Total Field Production

Catclaw Draw (Morrow) Field

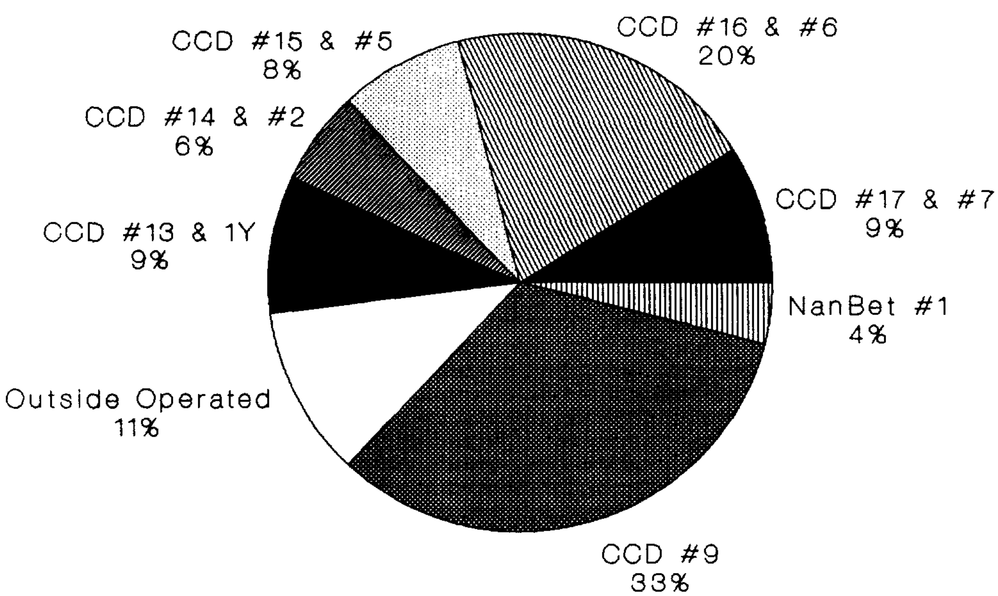


KEO/DSS
CCDPROD.CHT
2/26/92

Hallwood Petroleum, Inc.
Typical Make-Up of Monthly Gas Sales

Catclaw Draw Morrow Field
4/92 Through 9/92 Period

Hallwood Petroleum, Inc.	**- Avg Nominations**		**383,500 MCF/Mo**
Other Operators	**- Average Sales**	**-**	**45,287 MCF/Mo**
			428,787 MCF/Mo



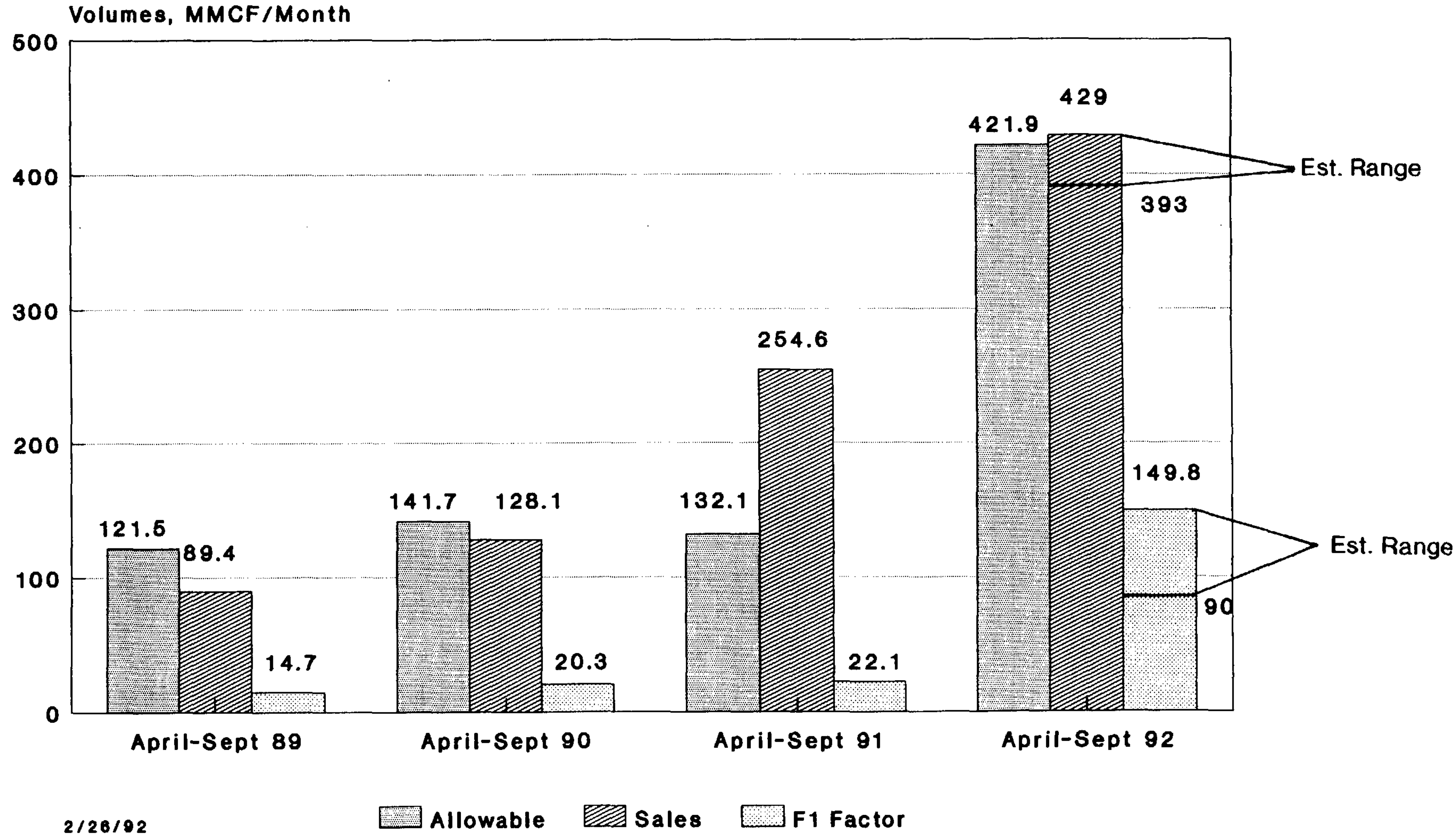
Note: CCD #12 & #4 Proration Unit is Shut-In (Temporarily Abandoned) therefore 0%.

KEO 2/25/92

Catclaw Draw (Morrow) Field

Comparison of Monthly Average

Pool Allowable, Sales & F1 Factor for "Summer" Period



2/26/92
KEO/DSS
CCDPOOL.CHT

Hallwood Energy Companies

4582 South Ulster Street Parkway • Stanford Place III • Suite 1700 • Post Office Box 378111
Denver, Colorado 80237 • (303) 850-7373

February 24, 1992

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 2
Submitted by Hallwood Pet
Hearing Date 2/27/92

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

Re: **Catclaw Draw Morrow Field**
Purchaser Gas Nominations
Form C-121-A
April 1992 - September 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 a reasonably accurate volume of gas that Hallwood can and anticipates producing from our wells in the Catclaw Draw Morrow Field over the 6-month "Summer" period of April 1992 through September 1992.

It should also be mentioned that Hallwood is the first purchaser on nine (9) of the thirteen (13) currently pipeline connected 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) connected 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 establishing pool allowables that will enable Hallwood and other operators in the field to produce their non-marginal wells at reasonable rates relative to the well's capacity while still allowing the marginal wells to produce at their full capacity. We look forward to the February 27, 1992 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 E. O'Connell

Kevin E. O'Connell
Drilling & Production Supervisor
Western District

KEO:pp

cc: Bruce Bowman
Mike Gregory
Eva Kardas
Gas Company of New Mexico - P.O. Box 26400
Albuquerque, NM 87125
Attn: Paul Mollo
Tom Kellahin - P.O. Box 2265
Santa Fe, NM 87504-2265

KEO\#38.pp

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	ADDRESS
HALLWOOD PETROLEUM, INC.	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	1992	390,000
MAY	1992	384,000
JUNE	1992	380,000
JULY	1992	377,000
AUGUST	1992	380,000
SEPTEMBER	1992	390,000
OCTOBER		
NOVEMBER		
DECEMBER		
JANUARY		
FEBRUARY		
MARCH		

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

Kevin E. O'Connell
Signature

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

Date 2/24/92

(303)850-6303
Telephone No.

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.

Well Name	Daily Rate (MCFD)	Monthly Volume (MCF)
Catclaw Draw Unit #7	330	10,032
Catclaw Draw Unit Com #6	580	17,632
Catclaw Draw Unit Com #17	900	27,360
Nan-Bet Com #1	620	18,848
	TOTAL	**73,872 MCF**

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 1

Submitted by UNOCAL

Hearing Date 2/27/92

UNION OIL COMPANY OF CALIFORNIA
ALLOCATION IMPACTS

Unocal Exhibits 1 through 4
Complete Set

APRIL 1992 - MARCH 1993

	LOSS OF DELIVERABLE GAS (MCF)	N-M. PRORATION UNITS CAPACITY (MCF)	CURTAILED PRORATION UNITS*	CURTAILMENT FROM AFFECTED P.U.	CURTAILMENT FROM NON-MARG P.U.
Basin Dakota	274,991	1,915,950	5 of 78	33%	14%
Blanco Mesa Verde	194,498	1,671,187	6 of 45	21%	12%

APRIL 1993 - MARCH 1994

	LOSS OF DELIVERABLE GAS (MCF)	N-M. PRORATION UNITS CAPACITY (MCF)	CURTAILED PRORATION UNITS*	CURTAILMENT FROM AFFECTED P.U.	CURTAILMENT FROM NON-MARG P.U.
Basin Dakota	701,126	1,915,950	10 of 78	51%	37%
Blanco Mesa Verde	934,691	1,684,475	14 of 45	55%	55%

* This includes all marginal and non-marginal proration units.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 2

Submitted by UNOCAL

Hearing Date 2/27/92

BASIN DAKOTA
RINCON UNIT NOS. 192 & 192-E
630 MCFD DELIVERABILITY (APRIL '92)
620 MCFD CAPABILITY

	CAPAB PROD (MCF)	ALLOC (MCF)	MONTHLY O/U CAPAB (MCF)	O/P LIMIT (MCF)	PLANNED PROD (MCF)	PLANNED CUM O/U (MCF)	LOSS OF DELIVERABLE GAS (MCF)
						0	
APR '91	2290	5286	2996	0	2290	0	
MAY	1984	5286	3302	0	1984	0	
JUN	2070	5286	3216	0	2070	0	
JUL	2332	5286	2954	0	2332	0	
AUG	2078	5286	3208	0	2078	0	
SEP	1444	5286	3842	0	1444	0	
OCT	2185	6580	4395	0	2185	0	
NOV	23757	10017	-13740	90509	23757	-13740	
DEC	16871	10017	-6854	90509	16871	-20594	
JAN '92	18301	10017	-8284	120206	18301	-28877	
FEB	17980	10017	-7963	120206	17980	-36840	
MAR	19220	10017	-9203	120206	19220	-46043	0
APR	18600	7468	-11132	120206	0	-38575	
MAY	19220	7468	-11752	120206	0	-31107	
JUN	18600	7468	-11132	120206	0	-23640	
JUL	19220	7468	-11752	120206	0	-16172	
AUG	19220	7468	-11752	120206	0	-8704	
SEP	18600	7468	-11132	120206	0	-1236	
OCT	19220	10017	-9203	120206	8782	-1	
NOV	18600	10017	-8583	120206	18600	-8584	
DEC	19220	10017	-9203	120206	19220	-17786	
JAN '93	19220	10017	-9203	120206	19220	-26989	
FEB	17360	10017	-7343	120206	17360	-34332	
MAR	19220	10017	-9203	120206	19220	-43535	123898
APR	18600	7469	-11131	120206	0	-36066	
MAY	19220	7469	-11751	120206	0	-28596	
JUN	18600	7469	-11131	120206	0	-21127	
JUL	19220	7469	-11751	120206	0	-13658	
AUG	19220	7469	-11751	120206	0	-6189	
SEP	18600	7469	-11131	120206	1279	1	
OCT	19220	10017	-9203	120206	19220	-9201	
NOV	18600	10017	-8583	120206	18600	-17784	
DEC	19220	10017	-9203	120206	19220	-26987	
JAN '94	19220	10017	-9203	120206	19220	-36190	
FEB	17360	10017	-7343	120206	17360	-43533	
MAR	19220	10017	-9203	120206	19220	-52735	112181
	563112	298212			327033		236079

BASIN DAKOTA
RINCON UNIT NO. 130
314 MCFD DELIVERABILITY (APRIL '92)
400 MCFD CAPABILITY

	CAPAB PROD (MCF)	ALLOC (MCF)	MONTHLY O/U CAPAB (MCF)	O/P LIMIT (MCF)	PLANNED PROD (MCF)	PLANNED CUM O/U (MCF)	LOSS OF DELIVERABLE GAS (MCF)
						7876	
APR '91	8108	6148	-1960	164572	8108	5916	
MAY	8441	6148	-2293	164572	8441	3622	
JUN	7059	6148	-911	164572	7059	2711	
JUL	5861	6148	287	164572	5861	2997	
AUG	11171	6148	-5023	164572	11171	-2026	
SEP	8056	6148	-1908	164572	8056	-3934	
OCT	10310	7666	-2644	164572	10310	-6578	
NOV	9177	7666	-1511	164572	9177	-8089	
DEC	10372	7666	-2706	164572	10372	-10795	
JAN '92	4853	7666	2813	91994	4853	-7982	
FEB	11600	7666	-3934	91994	11600	-11916	
MAR	12400	7666	-4734	91994	12400	-16649	0
APR	12000	5907	-6093	91994	0	-10742	
MAY	12400	5907	-6493	91994	0	-4834	
JUN	12000	5907	-6093	91994	1072	1	
JUL	12400	5907	-6493	91994	12400	-6492	
AUG	12400	5907	-6493	91994	12400	-12984	
SEP	12000	5907	-6093	91994	12000	-19077	
OCT	12400	7666	-4734	91994	12400	-23810	
NOV	12000	7666	-4334	91994	12000	-28144	
DEC	12400	7666	-4734	91994	12400	-32878	
JAN '93	12400	7666	-4734	91994	12400	-37612	
FEB	11200	7666	-3534	91994	11200	-41146	
MAR	12400	7666	-4734	91994	12400	-45880	35328
APR	12000	5908	-6092	91994	0	-39971	
MAY	12400	5908	-6492	91994	0	-34063	
JUN	12000	5908	-6092	91994	0	-28155	
JUL	12400	5908	-6492	91994	0	-22247	
AUG	12400	5908	-6492	91994	0	-16339	
SEP	12000	5908	-6092	91994	0	-10431	
OCT	12400	7666	-4734	91994	0	-2765	
NOV	12000	7666	-4334	91994	4900	2	
DEC	12400	7666	-4734	91994	12400	-4732	
JAN '94	12400	7666	-4734	91994	12400	-9466	
FEB	11200	7666	-3534	91994	11200	-13000	
MAR	12400	7666	-4734	91994	12400	-17734	92700
	399408	245770			271380		128028

BASIN DAKOTA
RINCON UNIT NO. 157
337 MCFD DELIVERABILITY (APRIL '92)
350 MCFD CAPABILITY

	CAPAB PROD (MCF)	ALLOC (MCF)	MONTHLY O/U CAPAB (MCF)	O/P LIMIT (MCF)	PLANNED PROD (MCF)	PLANNED CUM O/U (MCF)	LOSS OF DELIVERABLE GAS (MCF)
	-----	-----	-----	------	-----	-----	-------
						34544	
APR '91	9841	6283	-3558	113755	9841	30986	
MAY	10475	6283	-4192	113755	10475	26795	
JUN	8569	6283	-2286	113755	8569	24509	
JUL	6119	6283	164	113755	6119	24673	
AUG	9910	6283	-3627	113755	9910	21047	
SEP	9425	6283	-3142	113755	9425	17905	
OCT	947	7837	6890	113755	947	24795	
NOV	7076	7837	761	113755	7076	25556	
DEC	4404	7837	3433	113755	4404	28990	
JAN '92	1185	7837	6652	0	1185	0	
FEB	10150	7837	-2313	0	10150	0	
MAR	10850	7837	-3013	0	10850	0	0
APR	10500	6021	-4479	94047	10500	-4479	
MAY	10850	6021	-4829	94047	10850	-9308	
JUN	10500	6021	-4479	94047	10500	-13787	
JUL	10850	6021	-4829	94047	10850	-18616	
AUG	10850	6021	-4829	94047	10850	-23445	
SEP	10500	6021	-4479	94047	10500	-27924	
OCT	10850	7837	-3013	94047	10850	-30936	
NOV	10500	7837	-2663	94047	10500	-33599	
DEC	10850	7837	-3013	94047	10850	-36612	
JAN '93	10850	7837	-3013	94047	10850	-39625	
FEB	9800	7837	-1963	94047	9800	-41587	
MAR	10850	7837	-3013	94047	10850	-44600	0
APR	10500	6022	-4478	94047	0	-38578	
MAY	10850	6022	-4828	94047	0	-32557	
JUN	10500	6022	-4478	94047	0	-26535	
JUL	10850	6022	-4828	94047	0	-20513	
AUG	10850	6022	-4828	94047	0	-14491	
SEP	10500	6022	-4478	94047	0	-8469	
OCT	10850	7837	-3013	94047	0	-632	
NOV	10500	7837	-2663	94047	7206	-1	
DEC	10850	7837	-3013	94047	10850	-3014	
JAN '94	10850	7837	-3013	94047	10850	-6026	
FEB	9800	7837	-1963	94047	9800	-7989	
MAR	10850	7837	-3013	94047	10850	-11002	78194
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	344451	251028			266257		78194

BLANCO MESA VERDE
RINCON UNIT NO. 80
345 MCFD DELIVERABILITY (APRIL '92)
375 MCFD CAPABILITY

	CAPAB PROD (MCF)	ALLOC (MCF)	MONTHLY O/U CAPAB (MCF)	O/P LIMIT (MCF)	PLANNED PROD (MCF)	PLANNED CUM O/U (MCF)	LOSS OF DELIVERABLE GAS (MCF)
	-----	-----	-----	------	-----	-----	-------
						10171	
APR '91	12763	9093	-3670	176527	12763	6501	
MAY	2178	9093	6915	176527	2178	13416	
JUN	0	9093	9093	176527	0	22509	
JUL	0	9093	9093	176527	0	31602	
AUG	0	9093	9093	176527	0	40695	
SEP	5211	9093	3882	176527	5211	44577	
OCT	12153	9698	-2455	0	12153	0	
NOV	7662	9698	2036	0	7662	2036	
DEC	10284	9698	-586	0	10284	1450	
JAN '92	8906	9698	792	116376	8906	2242	
FEB	10875	9698	-1177	116376	10875	1065	
MAR	11625	9698	-1927	116376	11625	-862	0
APR	11250	7232	-4018	116376	4920	1450	
MAY	11625	7232	-4393	116376	11625	-2943	
JUN	11250	7232	-4018	116376	11250	-6961	
JUL	11625	7232	-4393	116376	11625	-11354	
AUG	11625	7232	-4393	116376	11625	-15747	
SEP	11250	7232	-4018	116376	11250	-19765	
OCT	11625	7453	-4172	116376	11625	-23936	
NOV	11250	7453	-3797	116376	11250	-27733	
DEC	11625	7453	-4172	116376	11625	-31904	
JAN '93	11625	7453	-4172	89441	11625	-36076	
FEB	10500	7453	-3047	89441	10500	-39122	
MAR	11625	7453	-4172	89441	11625	-43294	6330
APR	11250	7232	-4018	89441	0	-36061	
MAY	11625	7232	-4393	89441	0	-28829	
JUN	11250	7232	-4018	89441	0	-21596	
JUL	11625	7232	-4393	89441	0	-14364	
AUG	11625	7232	-4393	89441	0	-7132	
SEP	11250	7232	-4018	89441	0	101	
OCT	11625	7453	-4172	89441	6100	1454	
NOV	11250	7453	-3797	89441	11250	-2342	
DEC	11625	7453	-4172	89441	11625	-6514	
JAN '94	11625	7453	-4172	89441	11625	-10685	
FEB	10500	7453	-3047	89441	10500	-13732	
MAR	11625	7453	-4172	89441	11625	-17903	74150
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	355407	288975			274927		80480

BLANCO MESA VERDE
RINCON UNIT NOS. 79 & 79A
489 MCFD DELIVERABILITY (APRIL '92)
375 MCFD CAPABILITY

	CAPAB PROD (MCF)	ALLOC (MCF)	MONTHLY O/U CAPAB (MCF)	O/P LIMIT (MCF)	PLANNED PROD (MCF)	PLANNED CUM O/U (MCF)	LOSS OF DELIVERABLE GAS (MCF)
	-----	-----	-----	------	-----	-----	-------
						0	
APR '91	15662	7125	-8537	0	15662	0	
MAY	13465	7125	-6340	0	13465	0	
JUN	14395	7125	-7270	0	14395	0	
JUL	9698	7125	-2573	138519	9698	-2573	
AUG	9960	7125	-2835	138519	9960	-5408	
SEP	10308	7125	-3183	138519	10308	-8591	
OCT	7413	7630	217	138519	7413	-8374	
NOV	6190	7630	1440	138519	6190	-6934	
DEC	8449	7630	-819	138519	8449	-7753	
JAN '92	3410	7630	4220	91560	3410	-3533	
FEB	10875	7630	-3245	91560	10875	-6778	
MAR	11625	7630	-3995	91560	11625	-10773	0
APR	11250	9077	-2173	91560	0	-1697	
MAY	11625	9077	-2548	91560	7381	-1	
JUN	11250	9077	-2173	91560	11250	-2174	
JUL	11625	9077	-2548	91560	11625	-4723	
AUG	11625	9077	-2548	91560	11625	-7271	
SEP	11250	9077	-2173	91560	11250	-9445	
OCT	11625	9269	-2356	91560	11625	-11801	
NOV	11250	9269	-1981	91560	11250	-13781	
DEC	11625	9269	-2356	91560	11625	-16137	
JAN '93	11625	9269	-2356	111231	11625	-18493	
FEB	10500	9269	-1231	111231	10500	-19723	
MAR	11625	9269	-2356	111231	11625	-22079	15494
APR	11250	9077	-2173	111231	0	-13002	
MAY	11625	9077	-2548	111231	0	-3925	
JUN	11250	9077	-2173	111231	5151	1	
JUL	11625	9077	-2548	111231	11625	-2547	
AUG	11625	9077	-2548	111231	11625	-5095	
SEP	11250	9077	-2173	111231	11250	-7268	
OCT	11625	9269	-2356	111231	11625	-9623	
NOV	11250	9269	-1981	111231	11250	-11604	
DEC	11625	9269	-2356	111231	11625	-13960	
JAN '94	11625	9269	-2356	111231	11625	-16315	
FEB	10500	9269	-1231	111231	10500	-17546	
MAR	11625	9269	-2356	111231	11625	-19902	28974
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	395200	308683			350732		44468

UNOCAL SUGGESTED REVISIONS

BASIN DAKOTA

	STATE'S PRELIMINARY ESTIMATES	UNOCAL SUGGESTED REVISION
ADMINISTRATIVE ADJUSTMENT	1,200,000	3,200,000
F1	4,357	8,968
F2	4.94	10.16

BLANCO MESA VERDE

	STATE'S PRELIMINARY ESTIMATES	UNOCAL SUGGESTED REVISION
ADMINISTRATIVE ADJUSTMENT	1,000,000	4,200,000
F1	2,815	4,685
F2	12.81	21.32

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 3

Submitted by UNOCAL

Hearing Date 2/27/92

UNION OIL COMPANY OF CALIFORNIA
ALLOCATION IMPACTS

APRIL 1992 - MARCH 1993

	LOSS OF DELIVERABLE GAS (MCF)	N.M. PRORATION UNITS CAPACITY (MCF)	CURTAILED PRORATION UNITS*	CURTAILMENT FROM AFFECTED P.U.	CURTAILMENT FROM NON-MARG P.U.
Basin Dakota	**274,991**	**1,915,950**	**5 of 78**	**33%**	**14%**
w/ 3,200,000 Admin Adj	112,448		4 of 78	16%	6%
Blanco Mesa Verde	**194,498**	**1,671,187**	**6 of 45**	**21%**	**12%**
w/4,200,000 Admin Adj	98,030		2 of 45	28%	6%

APRIL 1993 - MARCH 1994

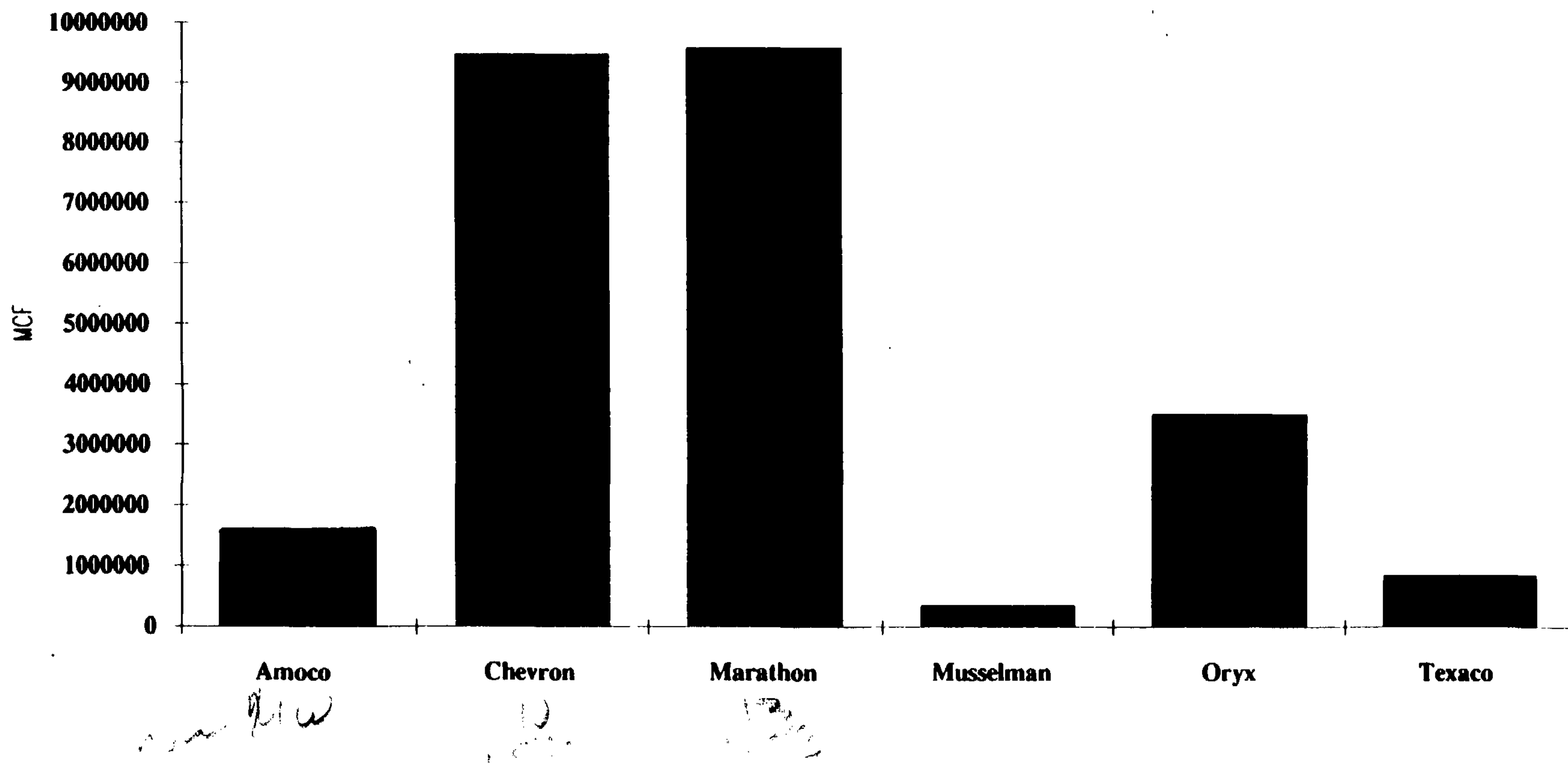
	LOSS OF DELIVERABLE GAS (MCF)	N.M. PRORATION UNITS CAPACITY (MCF)	CURTAILED PRORATION UNITS*	CURTAILMENT FROM AFFECTED P.U.	CURTAILMENT FROM NON-MARG P.U.
Basin Dakota	**701,126**	**1,915,950**	**10 of 78**	**51%**	**37%**
w/3,200,000 Admin Adj	152,334		3 of 78	25%	8%
Blanco Mesa Verde	**934,691**	**1,684,475**	**14 of 45**	**55%**	**55%**
w/4,200,000 Admin Adj	366,058		7 of 45	32%	22%

* This includes all marginal and non-marginal proration units.

Chevron Exhibits 1 through 9
Complete Set

CHEVRON U.S.A.

Total Production
Apr 91 - Nov 91
Indian Basin Upper Penn Gas Pool



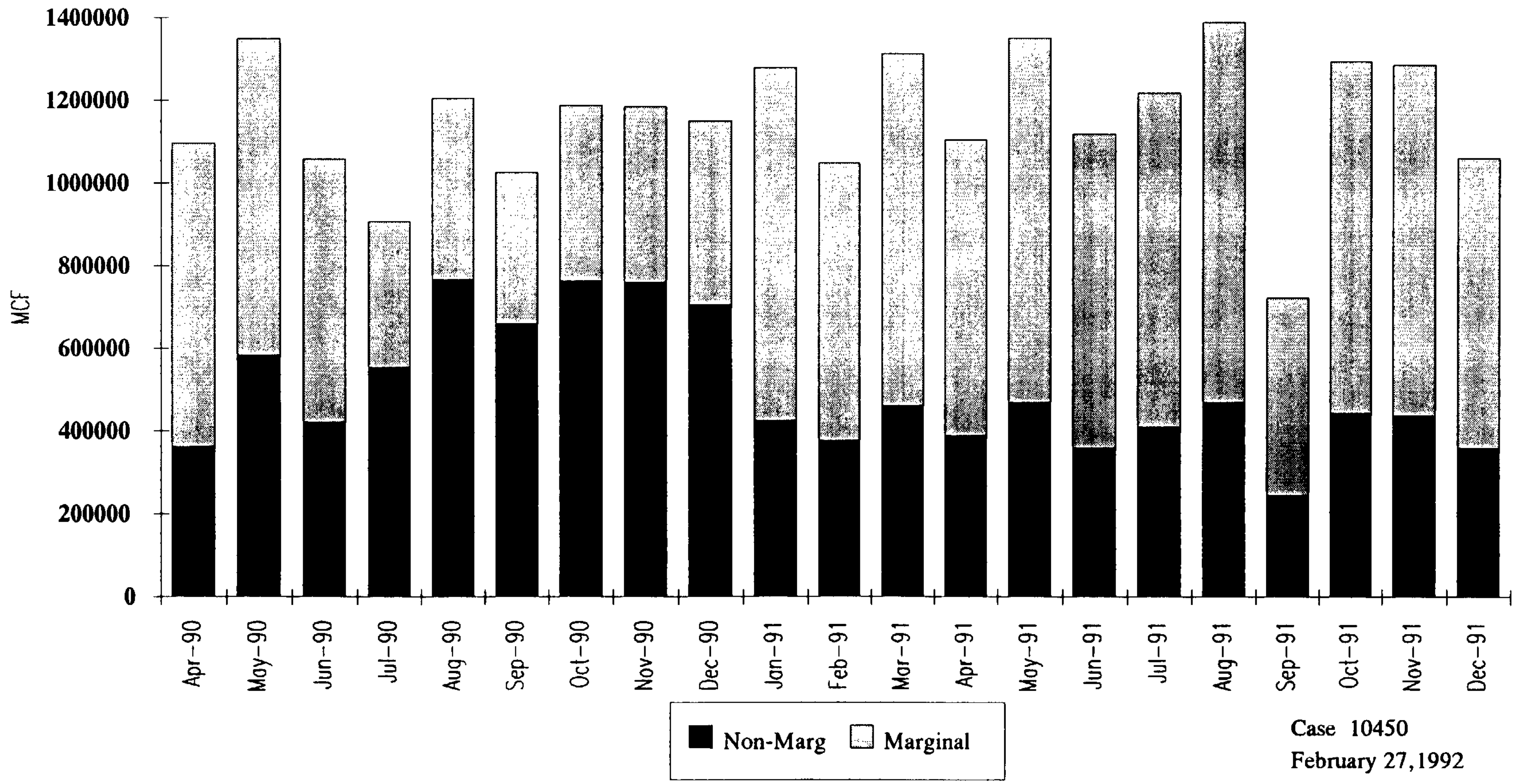
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 2

Submitted by Chevron

Hearing Date 2/27/92

Chevron's Total Production
Indian Basin Upper Penn Gas Pool



Case 10450
February 27, 1992

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

	OCD Preliminary Estimates – MCF	Chevron Proposed – MCF
1) Avg. Monthly Pool Sales APR91–SEP91	3,027,680	3,027,680
3) Adjustments	0	109,932
4) Monthly Pool Allowable APR92–SEP92	3,027,680	3,137,612
5) Montly Marg. Pool Allowable OCT91–DEC91	2,605,387	2,605,387
6) Monthly Non–Marginal Pool Allowable APR92–SEP92	422,293	532,225
7) Number of Non–Marginal Acreage Factors	3.49	3.49
8) Mnthly Acreage Allocate Factor APR92–SEP92	*121,000	152,500

* Apr.91–Sep.91 Equivilent = 134,728

ocd22492.wk1

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 4

Submitted by Chevron

Hearing Date 2/27/92

Chevron

Indian Basin Upper Penn Gas Pool

Allowable Production Basis

Non-Marginal Wells

	(1) Total Production MCF Apr.91-Nov.91	(2) Avg. Monthly Production MCF Apr.91-Nov.91	(3) OCD Proposed Factor MCFPM Apr.92-Sep.92	Delta (2)-(3) MCFPM	(4) Chevron Prop. Factor MCFPM Apr.92-Sep.92	Delta (2)-(4) MCFPM
Chevron						
BFU A Com #6	1,055,277	131,910	121,000	10,910	152,500	(20,590)
BFU #8	1,011,064	126,383	121,000	5,383	152,500	(26,117)
BFU #2	1,281,399	160,175	121,000	39,175	152,500	7,675
Avg./Well	1,115,913	139,489	121,000	18,489		
Marathon						
Ind. Bas. A#2	1269500	158,688	121,000	37,688	152,500	6,188
Ind. Bas. D#1	1535677	191,960	121,000	70,960	152,500	39,460
Ind. Bas. E#1	1264822	158,103	121,000	37,103	152,500	5,603
NIBU #8	1193503	149,188	121,000	28,188	152,500	(3,312)
Avg./Well	1,331,334	166,417	121,000	45,417		
Chevron+						
Marathon						
Avg./Well	1,223,624	152,953	121,000	31,953		

ocdnm2.wk1

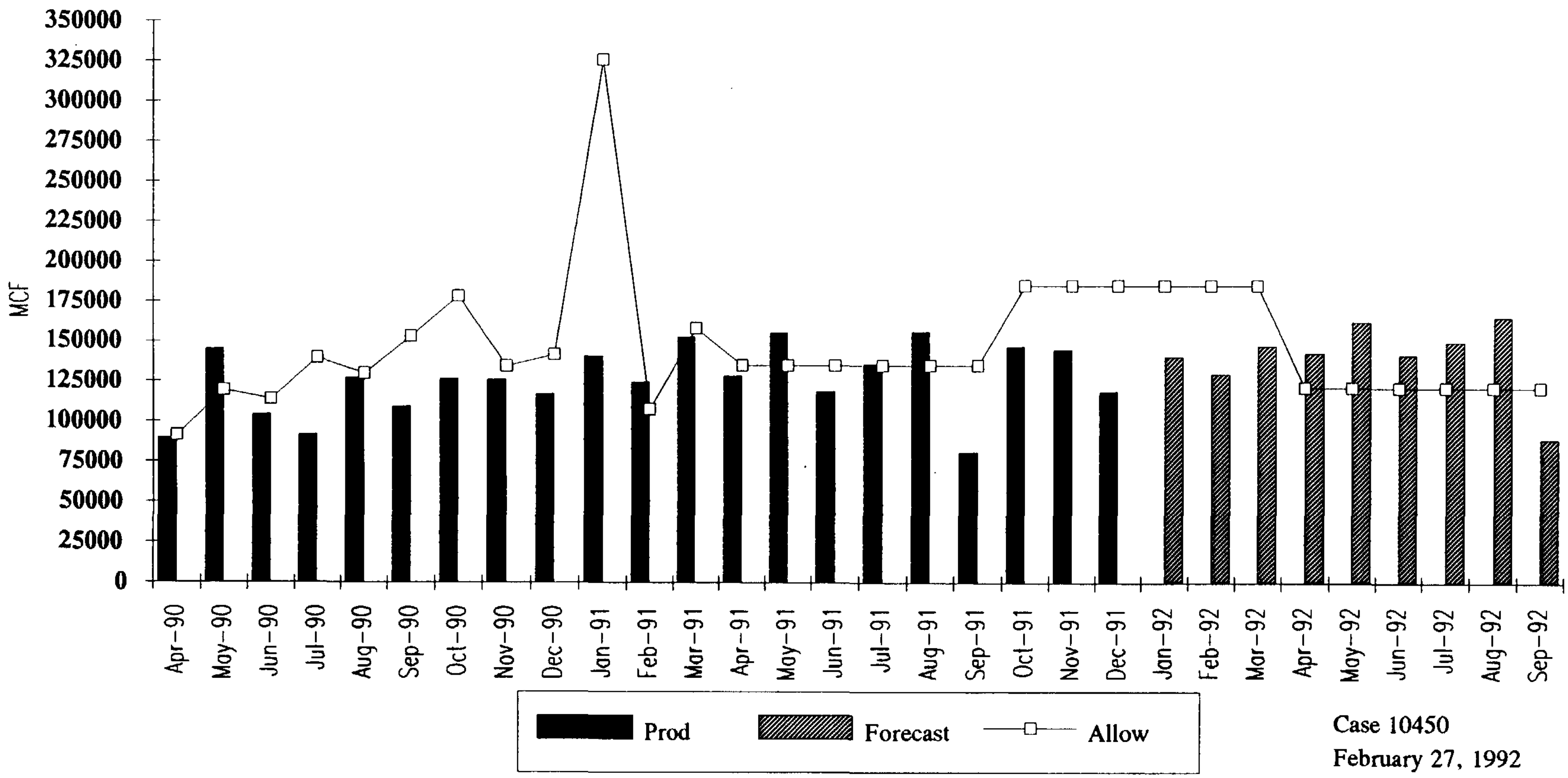
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 5

Submitted by Chevron

Hearing Date 2/27/92

Chevron's Avg. Non-Marginal Well
Production vs. Allowable
Indian Basin Upper Penn Gas Pool



Case 10450
February 27, 1992

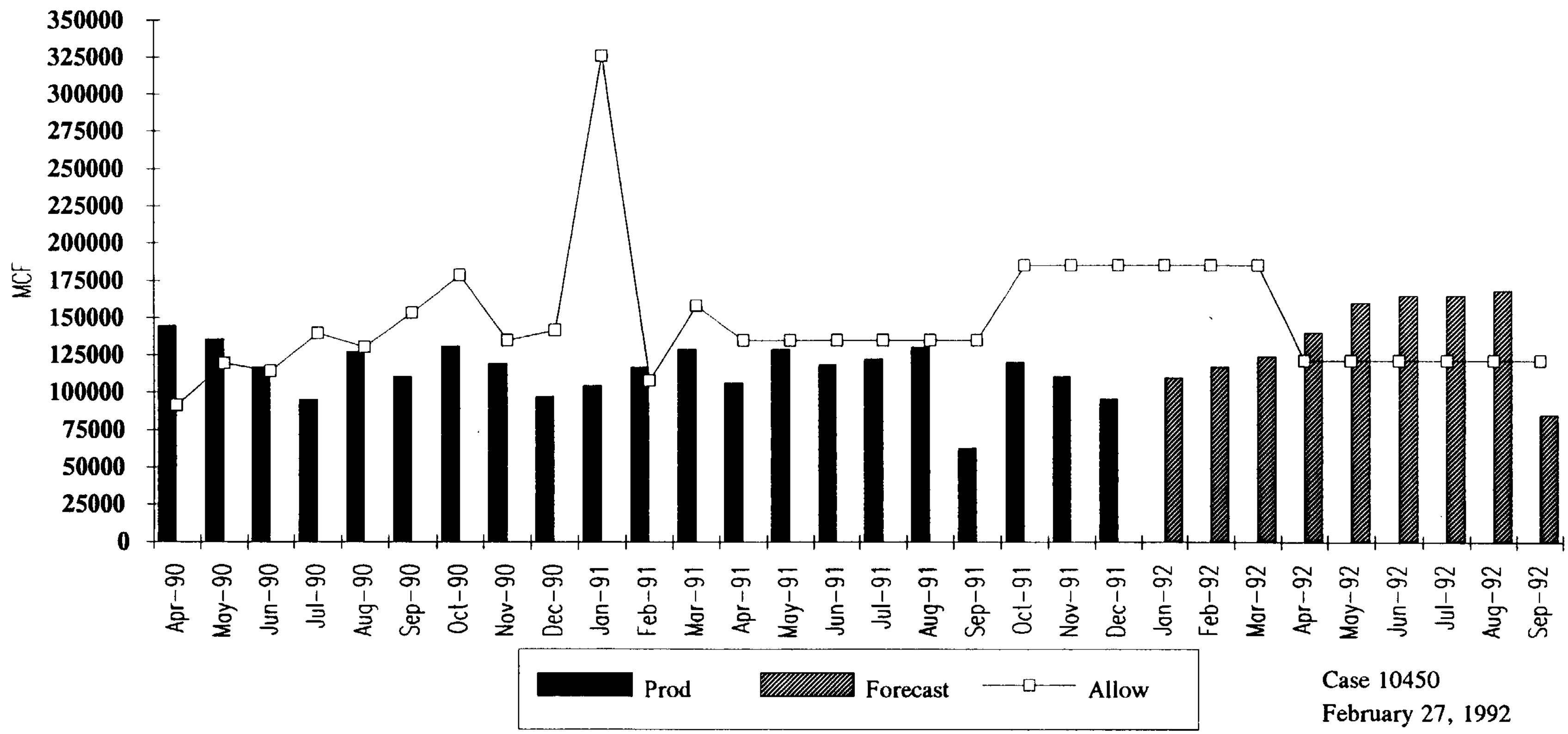
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 6

Submitted by Chevron

Hearing Date 2/27/92

Chevron's
Helbing Federal #1
Production vs. Allowable
Indian Basin Upper Penn Gas Pool



Case 10450
February 27, 1992

Chevron

Chevron U.S.A. Inc.
1301 McKinney Street, Houston, Texas 77010
Mail P.O. Box 2100, Houston, TX 77252

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 10450 Exhibit No. 7
Submitted by Chevron
Hearing Date 2/27/92

February 25, 1992

Mr. William J. LeMay, Director
OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504

RE: COMMISSION HEARING ON
2/27/92 CONCERNING PRO-RATED
GAS ALLOWABLES APRIL 92 - SEPT 92
CHEVRON COMMENTS INDIAN BASIN
UPPER PENN POOL

Dear Mr. LeMay:

Reference is made to the subject allowable determination.

Chevron projects that while there is a market for this gas, there is a transition occurring in the California market that is expected to put downward price pressure on Permian gas supplies relative to Anadarko volumes. Downward pressure is expected due to the Transwestern Pipeline expansion and the Kern River Gas Transmission project which cumulatively will place an additional 1 Bcf/d into California via firm transportation commitments. These projects will impact Permian gas by forcing it to move north and east instead of the traditional/shorter westerly flow. These north and east markets have historically resulted in lower Permian netbacks due to additional transportation costs and competition from all U.S. supply sources as well as Canadian gas.

Indian Basin gas prices will likely weaken during the upcoming summer months barring significant supply or demand changes.

Very truly yours,

Sarah McConnell

Sarah McConnell
Trading Representative
Natural Gas Supply and Marketing

SMM:brs
2252lema.0ll.

#5

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

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10456 Exhibit No. 8
Submitted by Chevron
Hearing Date 2/27/92

February 24, 1992

Mr. William J. LeMay
Oil Conservation Commission
State Land Office Building
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

RE: Commission Hearing on February 27, 1992, Concerning Prorated Gas Allowables for April 1992 - September 1992 for the Indian Basin Upper Penn Pool

Dear Mr. LeMay:

Oryx Energy Company will be unable to attend the February 27, 1992 commission hearing regarding gas allowables for the Indian Basin Upper Penn Pool. We do, however, want to express our support for Chevron's testimony.

Oryx feels an acreage allocation factor of 232,000 MCF per month for the Indian Basin Upper Penn Pool as seen in Marathon's proposal would prohibit other parties form attaining their fair share of the gas market during a time frame of April through September. With the uncertainty of summer gas markets and the question of the affects of rising line pressures on gas production at the higher allowables, Oryx feels an acreage allocation factor of 167,310 MCFPM would be appropriate for the April through September, 1992 allocation period.

An acreage factor of 167,310 MCFPM represents a 24% increase over the factor for the same period in 1991 (134,728 MCFPM). The 167,310 MCFPM allows for the increases in gas production as a result of the efforts of operators in the field while still insuring all parties can attain an equitable share of the summer gas market.

Sincerely,

James J. Doherty, Jr.
Manager, Reservoir Management

LMM

c: Chevron-Midland (A. W. Bohling)
Marathon-Midland (Ron Folse)

TOTAL P.02

MW PETROLEUM CORPORATION

February 24, 1992

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 9

Submitted by chevron

Hearing Date 2/27/92

Mr. William J. LeMay
Oil Conservation Commission
State Land Office Building
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Prorated Gas Allowables (April 1992 - September 1992)
Indian Basin (Upper Penn) Gas Pool
Eddy County, New Mexico

MW Petroleum Corporation operates 4 producing gas wells and is a working interest owner in 14 additional active producers in the Indian Basin (Upper Penn) Gas Pool. Although we will be unable to attend the February 27, 1992, commission hearing, we would like to express our support for the Chevron position regarding gas allowables for the Indian Basin (Upper Penn) Gas Pool.

MW Petroleum Corporation proposes an allowable of 152,500 MCF per month. We believe this will permit a more equitable sharing of gas markets than the Marathon proposal of 232,000 MCF per month. An allowable of 152,500 MCF per month represents a significant increase over the 1991 summer allowable of 134,728 MCF per month. This will benefit those operators who have invested in equipment to attain production increases and still maintain parity in the field.

Sincerely yours,

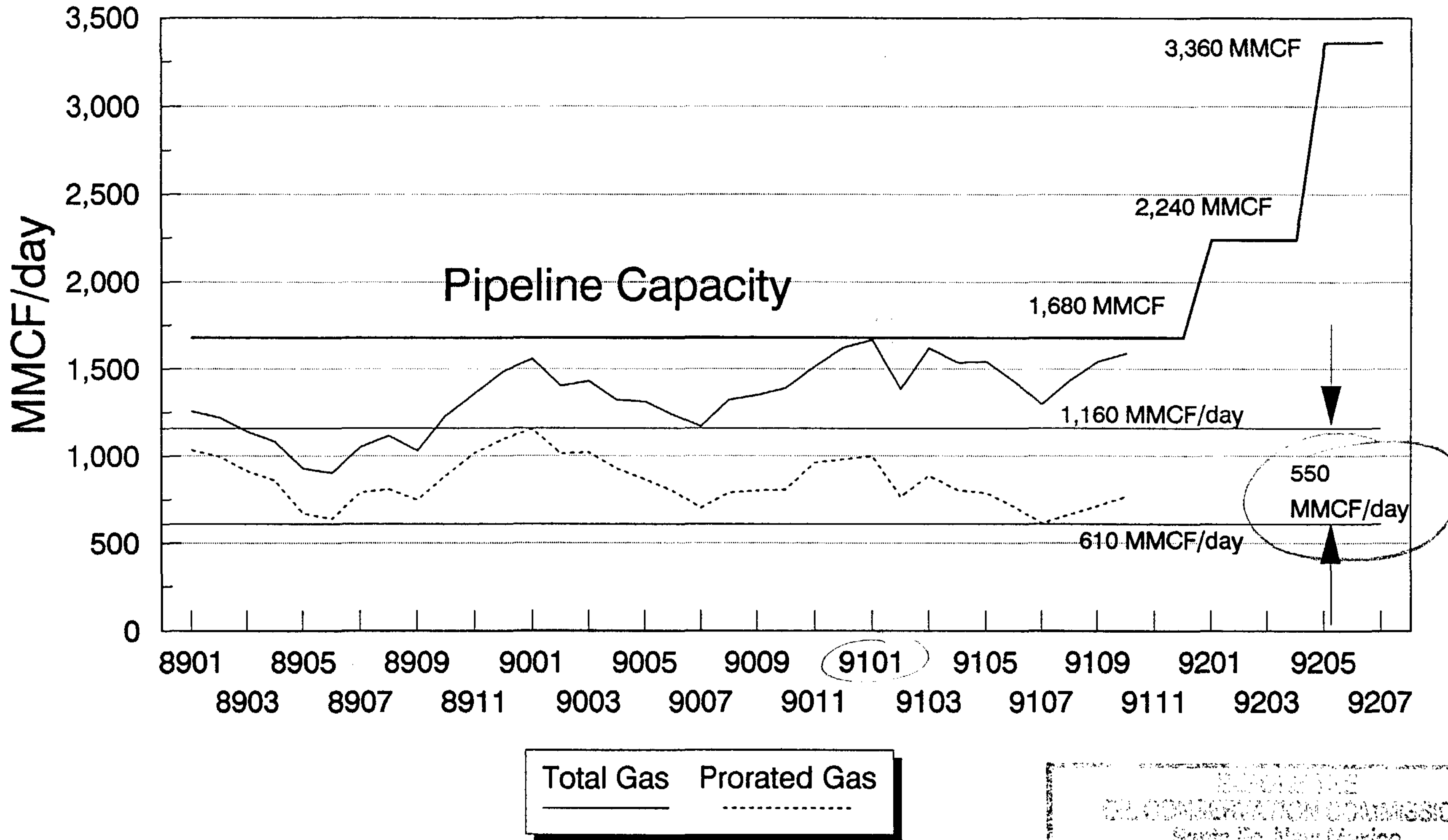
Ceci Searls Leonard

Ceci Searls Leonard
MW Petroleum Corporation

cc: Chevron (Al Bohling)
Marathon (Ron Folse)

Amoco Exhibits 1 and 2
Complete Set

San Juan Basin New Mexico Production



Pipeline Based on 1.16 MMBTU/MCF & 30% Shrink
All Data from Dwights Energy Data CD ROM

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 1

Submitted by Amoco

Hearing Date 2/27/92

Amoco Recomendation

	Total	DAK	BMV	BPC	TPC
Average Sales	18,666,282	5,773,700	11,856,105	849,882	186,595
Sales Percentages	100.0%	30.9%	63.5%	4.6%	1.0%
Marginal Allowable	14,072,304	5,083,320	8,039,990	747,575	201,419
Percent of Allowable for Non-Marginal	24.6%				
Total Potential for Prorated Increase	17,024,000	17 BCF/Mo			
Total Potential for Non-Marginal Increase	4,189,794				
Recommended Adjustment	4,189,794	1,295,958	2,661,196	190,763	41,883
Proposed F1		4,579	3,786	301	141
Proposed F2		5.188448	17.226953	14.444522	5.129939

Take these adjustments into Allowable calculations based upon decreased line pressure -- up to double these numbers based upon TO non-Marginal prod

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 10450 Exhibit No. 2

Submitted by Amoco

Hearing Date 2/27/92