

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BUILDING
5 SANTA FE, NEW MEXICO

6 25 June 1986

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Amoco Production Com- CASE
10 pany for the reinstatement of cancel- 8922
11 led under production, Eddy County, 8923
12 New Mexico.

13
14 BEFORE: Michael E. Stogner, Examiner
15
16
17

18 TRANSCRIPT OF HEARING

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20 A P P E A R A N C E S

21
22 For the Oil Conservation Division: Jeff Taylor
23 Attorney at Law
24 Legal Counsel to the Division
25 State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: Michael Williams
Attorney at Law
Amoco Production Company
P. O. Box 3092
Houston, Texas 77253

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A P P E A R A N C E S

For Gas Company of N. M.: Ronald F. Horn
 Attorney at Law
 KELEHER & McCLEOD, P.A.
 P. O. Drawer AA
 Albuquerque, New Mexico 87103

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MR. STOGNER: Call next Case 8922, which is the application of Amoco production Company for the reinstatement of cancelled underproduction, Eddy County, New Mexico.

6

Call for appearances.

7

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MR. WILLIAMS: Michael Williams in conjunction with William Carr, representing Amoco, with our technical expert, R. P. Zinsmeister.

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MR. HORN: Ronald F. Horn, law firm of Keleher and McCleod in Albuquerque, representing Gas Company of New Mexico, a division of Public Service Company of New Mexico.

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MR. MICHAELS: Mr. Examiner, I am not familiar with the procedures here because this is my first time, but I'd like to move to consolidate this hearing with hearing Number 8923.

18

19

MR. STOGNER: Are there any objections?

20

MR. HORN: No objection.

21

22

23

24

MR. STOGNER: We'll now call Case Number 8923, which is also the application of Amoco Production Company for the reinstatement of cancelled underproduction, Eddy County, New Mexico.

25

Please note that both parties

1 are represented in this case, too, and Case Number 8922 and
2 8923 are hereby consolidated for the purpose of testimony.

3 MR. MICHAELS: Thank you very
4 much.

5 MR. STOGNER: Okay, and you
6 have one witness to be sworn, is that correct?

7 MR. MICHAELS: We have one wit-
8 ness, R. P. Zinsmeister.

9 MR. STOGNER: Mr. Horn, any
10 witnesses?

11 MR. HORN: No witnesses.

12

13 (Witness sworn.)

14

15 MR. STOGNER: Please continue.

16 MR. MICHAELS: I would like to
17 make a brief opening statement.

18 Amoco is here today requesting
19 reinstatement of cancelled nonmarginal well allowables for
20 the 1983 to 1984, and the 1984 to 1985 proration periods for
21 the Smith Federal Gas Unit Well No. 1 and the Smith Federal
22 Gas Communitized Unit Well No. 1, both located in Sections
23 11 and 12, respectively, of Township 22 South, Range 23
24 East, of Eddy County, New Mexico.

25 We will demonstrate today by

1 the testimony of Mr. Zinsmeister that these two wells were
2 of nonmarginal character throughout the period and they were
3 classified as marginal wells only as a result of lack of gas
4 takes by the gas purchaser, which is the Gas Company of New
5 Mexico.

6 Amoco had the right throughout
7 this period to petition the Commission for reclassification
8 of those wells to nonmarginal status and to reinstate the
9 unproduced allowable at the end of each proration quarter.

10 We didn't do that at the end of
11 each quarter because, frankly, the purchaser was not taking
12 very much gas, so the petitions would only have wasted the
13 Commission's time.

14 We now hope to be able to mar-
15 ket the gas and so we ask for a reinstatement. If we don't
16 obtain the reinstatement, we will be drained by offset
17 leases. The field, which is conserved by both wells, is a
18 volumetric depletion field with some water drive. If we
19 can't produce the cancelled underproduction, we will irrevocably
20 lose it to offset leases and/or to the advancing water
21 front. We believe that would be unfair.

22 We will show today that sur-
23 rounding wells of similar nonmarginal character have re-
24 covered significantly larger volumes of gas than the Amoco
25 wells merely because they have a different gas purchaser,

1 Marathon.

2 We believe that in the interest
3 of conservation and the protection of correlative rights,
4 this unproduced gas allowable should be reinstated for the
5 Amoco Smith Federal and the Amoco Smith Federal Gas Communi-
6 tized Unit Wells so that Amoco can recover its just and fair
7 share of pool reserves within the Indian Basin Upper Penn
8 Field.

9

10 R. P. ZINSMEISTER,

11 being called as a witness and being duly sworn upon his
12 oath, testified as follows, to-wit:

13

14 DIRECT EXAMINATION

15 BY MR. WILLIAMS:

16 Q Mr. Zinsmeister, please state your name
17 and place of residence.

18 A My name is Robert P. Zinsmeister. I'm
19 employed by Amoco Production Company and reside in Houston,
20 Texas.

21 Q Please summarize your educational back-
22 ground.

23 A I have a Bachelor's of Science in petro-
24 leum and natural gas engineering from the Pennsylvania State
25 University. I was graduated from that university in June of

1 1980.

2 Q Please summarize your work experience in-
3 cluding that with Amoco.

4 A Okay. I have worked solely for Amoco
5 subsequent to my graduation for approximately six years now.
6 In that time period I have done numerous engineering
7 functions for that company in both operations, engineering
8 of primary oil and gas fields, and in a supervisory
9 capacity over other engineers with regard to engineering
10 calculations and operations of gas fields throughout the
11 Houston Region, which encompasses the states of Michigan,
12 Texas, Illinois, and New Mexico.

13 For the past year, approximately, I have
14 been employed as a Regulatory Affairs Engineer in the
15 Houston Region doing engineering calculations and testifying
16 to same in Texas, Illinois, and Michigan, and in this period
17 I have been also responsible in New Mexico and today is my
18 first appearance in New Mexico in that regard.

19 Q Are you familiar with the wells which are
20 the subject of this hearing?

21 A Yes, sir.

22 Q And are you familiar with the
23 applications filed in this case by Amoco Production Company?

24 A Yes.

25 MR. WILLIAMS: Are the witness'

1 qualifications acceptable, Mr. Examiner?

2 MR. STOGNER: They are.

3 MR. WILLIAMS: Thank you.

4 Q Have you prepared certain exhibits for
5 this hearing?

6 A Yes, sir, I have.

7 Q And those are the exhibits we have given
8 to the Examiner and to Mr. Horn, is that correct?

9 A That is correct.

10 Q Thank you. Would you please turn to
11 Exhibit Number One and explain to us what that is?

12 A Exhibit Number One is a copy of the
13 notice that we, that is Amoco, provided to all operators in
14 the Indian Basin Uppe Penn Pool, and also includes the
15 return receipt of this notice from the various operators.

16 Q And the purpose of this exhibit is merely
17 to state that we have given notice as required.

18 A Yes, sir.

19 Q Okay, please refer to Exhibit Number Two
20 and explain its meaning to us.

21 A Okay. Exhibit Number Two is a rather
22 involved exhibit.

23 Exhibit Number Two is a map of the Indian
24 Basin operating area and it has numerous colors and symbols,
25 which I'll discuss in detail.

1 The base colors on the map comprise
2 yellow, and the solid yellow is in the area of two Amoco
3 operated gas units that are the subject of this application,
4 the Smith Federal 11-1 and the Smith Federal Gas
5 Communitized Unit 12-1.

6 The yellow cross hatched units are other
7 Amoco operated units in this pool.

8 The solid pink units are nonmarginal
9 wells within a two mile radius of the two Amoco wells that
10 are the subject in these applications.

11 The pink outlined area is an area of
12 review, again within two miles, which I used to investigate
13 the coverage and gas sales or production figures for the
14 wells and compare them to the Amoco wells.

15 Now there are also well symbols on this
16 map.

17 The solid green dots are active producers
18 in the Indian Basin Upper Penn Field.

19 The cross hatched green well symbols are
20 active producers that are currently producing in excess of
21 20 barrels of water a day and the pink well symbols are
22 wells that are shut in. The majority of these are shut in
23 due to accelerated water production, such that the wells are
24 uneconomical and one can approximate the position of the
25 advancing water front from the location of these shut in
wells.

1 Lastly, I'll address the numbers in each
2 of the units. You will see a solitary large number that is
3 also underlined in red within the two-mile investigation
4 area, and this is the gas recovery of the unit as of January
5 1st, 1983.

6 You will also see a large group of num-
7 bers in each of the units. The numbers on the top of the
8 line are the production figures for the month of November,
9 1985, which is when I did -- or that's when the data was
10 available when I did this study.

11 The first number is the gas rate in NCFD.
12 The second number is the condensate rate and the last number
13 is the water rate.

14 Moving to the numbers below the line, one
15 sees the cumulative gas recovery as of December 1st, 1985,
16 in BCF, as well as the cumulative condensate recovery in
17 thousands of barrels.

18 And as I earlier stated, the purpose of
19 this map was I used it to review recoveries of the wells
20 surrounding the Amoco wells that are the subject of this ap-
21 plication.

22 Q Mr. Zinsmeister, as to this exhibit, let
23 me ask you a couple of questions concerning the field.

24 Are all of the wells in this exhibit in
25 communication with the same gas reservoir, to your know-

1 ledge?

2 A Yes, sir. I investigated the bottom hole
3 pressure performance of the field versus time that are
4 available in the State records, and I've also reviewed maps,
5 pressure histories versus time, and it was obvious to me
6 that this entire field is in pressure communication.

7 Q Okay, and it's a volumetric depletion
8 field principally, is that correct?

9 A Principally this field has undergone vol-
10 umetric depletion; however, it is in connection with an
11 aquifer that is supplying water to the field and it has
12 caused a number of the wells to water out.

13 Q Well, the point of my questions is that
14 if we don't produce certain amounts of gas from our two
15 wells at issue today, will that gas be produced by the other
16 wells that are in this field?

17 A Yes, sir, it will.

18 Q Thank you. Okay, please turn to Exhibit
19 Number Three and explain that to us.

20 A The Exhibit Number Three is a bar graph
21 which compares the recovery of the various wells in this
22 two-mile investigation area versus the Amoco wells over
23 time.

24 It uses the same data that was on that
25 map and again it reviews only nonmarginal wells in this two-

1 mile area.

2 I will additionally say that in my review
3 I isolated only those nonmarginal wells that were completed
4 in 1965, which is the same year that our wells were
5 completed. Additionally, I have adjusted the recovery
6 numbers such that they conform to the recovery from a 640-
7 acre gas unit. Both of Amoco's units are 640-acre units.

8 To define or describe how I did that, a
9 unit that is larger in size, let's say 670 acres, receives
10 additional allowable, based on the acreage; therefore, a
11 cumulative recovery was then adjusted by multiplying its
12 cumulative recovery by 640 acres and then dividing by 670,
13 which is the, for instance, acreage in the tract.

14 As you can see, as of 1-1-83, the
15 recoveries of the surrounding wells are very comparable to
16 the Amoco wells. The surrounding wells recovered 23.2 BCF
17 on an averages. The Amoco wells average recovery is 23.25
18 BCF.

19 However, that is not the case as of
20 December 1st, 1985. The surrounding wells have recovered on
21 an average 27.1 BCF whereas the Amoco average recovery is
22 25.9 BCF, for a difference of approximately 1.2 BCF per
23 well.

24 This difference in recovery is due to a
25 lack of takes by our gas purchaser during this time period.

1 Q Has Amoco ever worked over the wells?

2 A No, we have not, not since the wells were
3 initially completed in 1965.

4 Q The wells have been adequate in a produc-
5 tion sense?

6 A Yes, sir.

7 Q Thank you. Please refer to Exhibit Num-
8 ber Four and explain that to us.

9 A Exhibit Number Four is a graph of gas
10 production versus time again referencing the same wells as
11 the earlier exhibits within this two-mile radius of investi-
12 gation.

13 The orange data is the average gas pro-
14 duction from the Amoco wells and the blue data is the aver-
15 age gas production by year for the surrounding wells, and
16 these --

17 Q Excuse me, at that point the orange
18 wells, which are Amoco's, are suppliers to the Gas Company
19 of New Mexico, is that correct?

20 A Yes, sir.

21 Q And the blue, wells represented by the
22 blue line are all suppliers of Marathon.

23 A Correct.

24 Q Thank you. Okay.

25 A As you can see, this has developed for a

1 five year period from '81 through 1985, and the Amoco gas
2 sales were fairly consistent with those of the surrounding
3 wells in the years 1981 and '82 and then fell behind for
4 1983, 1984, and 1985.

5 Q What was the reason for that?

6 A Again it's due to a lack of takes by our
7 purchaser.

8 Q Will you please turn to Exhibit Number
9 Five?

10 A Exhibit Number Five again is merely a new
11 way of presenting the same data you saw on Exhibit Four. It
12 is a difference curve, the difference between Amoco gas
13 sales to the Gas Company of New Mexico from these two wells
14 and the surrounding wells average sales to their purchaser.

15 Again you can see that Amoco was slightly
16 ahead of the surrounding wells in 1981 and '82, approximate-
17 ly 200-300 MCFD.

18 And then again in '83 and '84 and '85 we
19 fell substantially behind the production of the surrounding
20 wells, falling in excess of 1.2-million cubic feet per day
21 per well in 1985.

22 Q Please turn to Exhibit Number Six and ex-
23 plain that.

24 A Okay, Exhibit Number Six is a graph of
25 nonmarginal well allowable versus time in comparison to the

split take
17
~~XXXX~~

1 to Marathon.

2 As we said, the well is a split take well
3 and this purely so since the well actually has a split ac-
4 tion at the wellhead. There are two separate lines running
5 to two separate production facilities and two separate gas
6 gathering lines.

7 When Mobil is producing its share of the
8 gas a Mobil employee operates the well and the gas is pro-
9 duced from Mobil's production equipment.

10 When Amoco's share of gas is produced
11 from the well an Amoco employee tends to the daily operation
12 of the well and sells our portion of the gas through our
13 production equipment which eventually goes to the Gas Com-
14 pany of New Mexico.

15 Q On Exhibit Number Six, the green line re-
16 presenting that well, that includes --

17 A That's all gas sales production.

18 Q Right, so it includes Mobil's which it is
19 producing for Marathon and that explains why it's produced
20 more than the Smith Federal Well represented in orange, is
21 that correct?

22 A The reason why it has produced more is in
23 part due to the split take nature of the well, yes, sir.

24 Q Thank you. Okay, please turn to Exhibit
25 Number Seven and explain that.

1 A Okay. Exhibit Number Seven is a graph of
2 nonmarginal well allowable versus time again versus well
3 test data.

4 Again in blue you see the nonmarginal
5 well allowable.

6 The orange data is well test gas rate in
7 MCFD. The scale is on the lefthand side for this well.

8 The green data is the flowing tubing
9 pressure curve that is associated with the individual well
10 test gas rates.

11 The blue curve is what I call a working
12 pressure curve and it is the difference between the flowing
13 tubing pressure at any given data point with the line pres-
14 sure recorded with that data point.

15 When the flowing tubing pressure is large
16 or the working pressure is large, that is an indication that
17 the well has excess capacity to deliver gas to sales over
18 and above that seen on the well test curve.

19 I believe there is one other curve I
20 should -- set of data I should reference, some red informa-
21 tion on the bottom of the curve, or plot.

22 The letters "SI" stand for shut in, and
23 the inverted triangles in red indicate when the Gas Company
24 of New Mexico asked us to alter our production rate, and the
25 two groups of data are based on the correspondence that we

1 have in our Houston office when the Gas Companyl either re-
2 quested us to shut in production from this well or to alter
3 the gas rate.

4 Lastly, I believe if you connect the well
5 test gas rates at the top of the curve from early 1982 to
6 late '85 and '86, one can see that this well was able to
7 make the nonmarginal allowable throughout this period.

8 Additionally, I have calculated deliver-
9 ability of the well based on the well test gas rates and the
10 flowing tubing pressure, and I calculated the deliverability
11 of this well at 750 pounds flowing tubing pressure at this
12 point in time or on or about January of 1986 is approximate-
13 ly 5.7-million cubic feet of gas per day.

14 Additionally, backtracking in time, in
15 the '82-'84 period I estimate deliverability of the well as
16 approximately 6.1/6.2-million cubic feet of gas per day.

17 The highest average quarterly nonmarginal
18 allowable throughout this period is approximately 5.45-mil-
19 lion cubic feet of gas per day. So not only does a sim-
20 plistic connection of dots substantiate deliverability of
21 this well in excess of nonmarginal allowables, but so do en-
22 gineering calculations.

23 I would lastly like to point out with re-
24 spect to the engineering calculations, these are based on
25 the fact that we have a 1.995 inch ID tubing string in both

1 of our wells. There is a large friction loss associated
2 with this tubing string.

3 I calculated if we had a 2.4 inch string
4 in this well we would be able to deliver approximately 8.2-
5 million cubic feet of gas per day from this well. This
6 would certainly be in the realm of possibility since we have
7 a 4.89 inch ID casing string.

8 Q Would that have been true also for the
9 prior two gas proration periods at issue today?

10 A That is true for the whole period we're
11 talking about if Amoco elected to change the tubing string,
12 mind you, but we do have a 1.99 string in the wells right
13 now.

14 Q On the issue of production, Mr. Zinsmeis-
15 ter, is our production from those wells within our control,
16 to your knowledge?

17 A Amoco personnel control the valves, that
18 is true, but on a daily or almost weekly basis we're in con-
19 tact with individuals from the Gas Company of New Mexico who
20 determine the volume of gas the need to take from the well,
21 so realistically, although Amoco turns the valve, we have
22 very little control over what gas we can produce.

23 Q If the Gas Company tells us to shut in
24 the well, we shut in the well, is that correct?

25 A Yes, sir.

1 Q And that applies to both wells.

2 A Yes, sir.

3 Q Please turn to Exhibit Number Eight and
4 explain that to us.

5 A Exhibit Number Eight is a graph of shut-
6 in bottom hole pressure versus time for both the Smith
7 Federal 11-1 and the Smith Federal Gas Communitized 12-1.

8 As you can see, there's been a nominal
9 reduction in bottom hole pressure from the period 1982
10 through 1984, only 46 psi.

11 Also the wells have almost identical
12 shut-in bottom hole pressures over this time period, which
13 is an indication of the good permeability and pressure com-
14 munication of this reservoir.

15 Lastly, it's my judgment that the nominal
16 reduction in shut-in bottom hole pressure certainly indi-
17 cates that the wells should have maintained their deliver-
18 ability throughout this time period.

19 Q Thank you. Please explain Exhibit Number
20 Nine.

21 A Exhibit Number Nine is a tabulation of
22 the Gas Company of New Mexico nominations in MCF for the
23 Smith Federal 11-1 for January through July of 1984.

24 In the far left column you see the month.
25 Next to it you see the total nomination from Gas Company of



1 New Mexico in MCF for that month. Again, this is data that
2 is published in the State proration schedule.

3 I next determined the nonmarginal nomina-
4 tion for this well by subtracting that portion of the nomin-
5 ation that would go to a marginal well. It is also part of
6 the total nomination. That marginal well is the Amoco-oper-
7 ated Hoc Federal Gas Unit, which is in Section 13.

8 So subtraction of the allowable, the mar-
9 ginal allowable associated with the Hoc Federal, from the
10 total nomination one can arrive at the nonmarginal nomina-
11 tion for the Smith Federal 11-1.

12 In the next column one sees the nonmar-
13 ginal allowable for each of the months that is published in
14 the proration schedule.

15 In the last column with regard to produc-
16 tion is the actual production from this well for each month.

17 As you can see, for the period February
18 through July, the total nonmarginal nomination for this well
19 was less than the nonmarginal allowable. Additionally you
20 can see where Amoco's production oftentimes fell even below
21 the nonmarginal nomination.

22 In the comments period, or the comments
23 column to the far right indicates some of the reasons why
24 that occurred. On three separate occasions the Gas Company
25 requested us to shut in the well.

1 I would also like to point out that the
2 gas rules in the State of New Mexico state that if a well
3 comes into a proration period underproduced and fails to
4 make the nonmarginal allowable for a classification period,
5 which is three months in length, that well will be reclassi-
6 fied from nonmarginal to marginal and the accrued underpro-
7 duction at that time will be cancelled.

8 Well, we came into the proration period
9 effective April 1st in an underproduced status, again due to
10 lack of takes. As you can see, the nomination was less than
11 the nonmarginal allowable for April, May, June, and July,
12 and we subsequently did not make the nonmarginal allowable.

13 And in August, when June's data was
14 available to the Commission they did reclassify this well,
15 as well as the Smith Federal Gas Com 12-1, from a nonmar-
16 ginal to marginal status.

17 Q Why didn't we go in at the end of each
18 quarter administratively and request reinstatement of the
19 underproduction, to your knowledge?

20 A Okay. Amoco could have done that, at
21 least on a quarterly basis, to the best of my knowledge;
22 however, that would have been of no material effect since
23 our purchaser was not taking gas. We could have continued
24 on a quarterly basis to ask the Commission to reinstate our
25 underproduction but there is another rule in the Commission

1 gas rules that states that any underproduction not produced
2 at the end of the year will be cancelled, so we would have
3 continued to ask the Commission to use their good grace to
4 reinstate this allowable. It would not have been sold.

5 Q So it was rather pointless at that time.

6 A Yes, sir, in my opinion.

7 Q Thank you. Please explain Exhibit Number
8 Ten.

9 A Exhibit Number Ten is merely a copy of
10 the August, 1984, Proration Schedule for southeast New
11 Mexico.

12 Highlighted in yellow one will see the
13 status of the Smith Federal and on page two, the Smith
14 Federal Gas Com Well.

15 It indicates that both of those were, in
16 fact, reclassified in those months from nonmarginal to
17 marginal.

18 Q And Exhibit Number Eleven? Please
19 explain that.

20 A Okay, Exhibit Number Eleven is again a
21 well test curve versus time for the Smith Federal Gas Com
22 12-1. The colors and data on this curve are similar to the
23 previous curve you saw.

24 Again the blue data represents the
25 nonmarginal well allowable for a standard 640-acre
proration unit within the Indian Basin Field.

1 The orange data is a well test gas rate
2 that Amoco personnel gathered in the field on a periodic
3 basis.

4 The green data is the flowing tubing
5 pressure curve and the blue data is the working pressure
6 curve.

7 This particular well, because of the
8 split take scenario, we have much less data than the other
9 well due to the infrequency that Amoco actually sold gas to
10 the Gas Company of New Mexico; however, once again I was
11 able to calculate the deliverability of the well based on
12 the well test rates and associated flowing tubing pressure,
13 and it is approximately the same as that of the other well,
14 currently able to deliver approximately 5.7-million cubic
15 feet of gas per day at 750 psi flowing tubing pressure.

16 I must also add that the line pressure in
17 the area is on or about 600 psi so that gives me a working
18 margin of 150 psi and I should really only need 50 to 70 psi
19 to move these volumes of gas cross the lease, and so this
20 would more or less be a pessimistic gas rate, in my opinion.

21 And again backtracking in time, this well
22 would be capable of selling 6.1 to 6.2-million cubic feet
23 from the '82 through the '84 periods and it is also hampered
24 by a 1.995 ID tubing string and were we to swap out that
25 tubing string with a 2.44 inch ID string, this well would be

1 capable of sales of approximately 8.2-million cubic feet as
2 of this time.

3 Q And what about also during the times at
4 issue --

5 A Yes, sir.

6 Q -- in these cases? Thank you.

7 Please explain Exhibit Number 12.

8 A Exhibit Twelve is rather busy, so I hope
9 you will bear with me.

10 The blue curve once again is our nonmar-
11 ginal well allowable. Now I have gone the extra step of
12 dividing this nonmarginal allowable back in two and this is
13 presented on the orange curve, and what I'm attempting to do
14 is handle the split take nature of the well. 50 percent of
15 the gas goes to Mobil and eventually Marathon and 50 percent
16 of the gas, which is Amoco's portion of the gas, goes to the
17 Gas Company of New Mexico. I'm trying to use this half al-
18 lowable figure, so to speak, to show which purchaser is tak-
19 ing their portion of the gas allowable, presuming that it's
20 halved between each of the purchasers and each of the work-
21 ing interests.

22 The actual production of the well is in
23 green versus time, the green dots.

24 The Gas Company of New Mexico takes are
25 the triangles that we see in the curve in blue and the Mara-

1 thon takes for Mobil are in purple.

2 As you can see, the majority of the time
3 the takes are almost solely for Mobil by Marathon and ac-
4 tually fill the green production blocks, and over the 36 or
5 so month period on this curve on only five occasions
6 did the Gas Company even need half of the allowable.

7 Q Please explain Exhibit Number Thirteen.

8 A Exhibit Number Thirteen is tabular data
9 for the period 1983, '84, and '85, and references the actual
10 gas takes by purchaser for the Smith Federal Gas Com 12-1.

11 It is the same data that is on the pre-
12 vious exhibit, Mr. Examiner.

13 It is tabulated by month and totaled for
14 each purchaser by year at the bottom and again you see that
15 prorated marginal allowable. That's the total yearly allow-
16 able divided by two, to segregate the portion of the allow-
17 able that each purchaser more or less is responsible for.

18 Lastly you see a calculated imbalance.
19 That's the difference between the total takes by purchaser
20 and the nonmarginal half allowable for that year.

21 So you can see in 1983, for instance,
22 Marathon exceeded their half of the allowable by approxi-
23 mately 16-million cubic feet, whereas the Gas Company of New
24 Mexico fell below it by approximately 491-million cubic
25 feet.

1 Q Mr. --

2 A Moving in time --

3 Q I'm sorry.

4 A That's okay. You can see where Marathon
5 was ahead in '83, slightly behind in 1984, and then again
6 ahead of the half allowable in 1985, whereas the Gas Company
7 has fallen below in each of these three years and after
8 going into the tabular data in the chart, it's typical to
9 see six month periods where the Gas Company took no gas
10 whatsoever for our portion of the working interest in this
11 well.

12 Q As of this well are we being drained by
13 Marathon in addition to being drained by the offset wells?

14 A Well, technically we're being drained by
15 Mobil.

16 Q I'm sorry.

17 A Marathon being their purchaser, or trans-
18 porter, I should say, and we're subject to internal drain-
19 age.

20 Q Of course Mobil has the right to do that.

21 A Yes, sir.

22 Q We're not alleging that they don't.
23 We're just alleging that it may be unfair, is that correct?

24 A Yes, sir.

25 Q Fine, thank you. Please explain Exhibit



1 Fourteen.

2 A Exhibit Fourteen is a copy of the
3 January, 1986, Southeast Gas Proration Schedule for the In-
4 dian Basin Upper Penn Field.

5 Again highlighted in yellow for ease of
6 reference is the Smith Federal Gas Com 12-1. As you can
7 see, this well was reclassified by the Commission's own
8 motion from marginal to nonmarginal status. It's accrued
9 underproduction for the 1985-86 proration period was rein-
10 stated due to increased takes of gas from this well over and
11 above that of a nonmarginal well allowable.

12 Q And Exhibit Number Sixteen -- I'm sorry,
13 Fifteen.

14 A This is a copy of the April, 1986, South-
15 east Gas Proration Schedule, indicates the status of the
16 Smith Federal 11-1 Well and it shows that the Commission re-
17 classified this well from a marginal to a nonmarginal sta-
18 tus; reinstated its accrued underproduction for the '85/'86
19 proration period, and this was as a result of a petition
20 from Amoco Production Company that we delivered to the Com-
21 mission in February asking for this reinstatement.

22 Q Please explain Exhibit Number Sixteen.

23 A Exhibit Sixteen is a tabular representa-
24 tion of the cumulative proration status of the Smith Federal
25 11-1.

1 The far left column indicates the produc-
2 tion from the well as published in the State Proration Sche-
3 dule.

4 The column next to it, moving to the
5 right, is the allowable by month in MCF. The difference be-
6 tween production and the allowable is indicated in the next
7 column, and then the cumulative difference with respect to
8 the initial proration status of the well is in the last
9 column.

10 Moving down to the March '85 date, one
11 can see that the cumulative production with respect to the
12 nonmarginal well allowable for this time period, was approx-
13 imately 1.3 BCF.

14 Q And turning to Exhibit Seventeen we have
15 similar table for the Smith Federal Gas --

16 A Yes, sir, we do.

17 Q -- Com 12-1.

18 A Yes, sir, we do.

19 Q Please explain that.

20 A Each of the columns is the same with re-
21 spect to the titles and the actual data in them.

22 I would merely like to point out that
23 again as of March '85 the cumulative underage of this well
24 with respect to the nonmarginal allowable is approximately
25 665,000,000 cubic feet.

1 Q And finally please explain Exhibit Numer
2 Eighteen.

3 A Exhibit Numer Eighteen summarizes the
4 cumulative underproduction of the well with respect --
5 wells, excuse me -- cumulative underproduction of the wells
6 with respect to the nonmarginal well allowable by proration
7 period.

8 For example, the Smith Federal 11-1 for
9 the 1983 to '84 proration period was underproduced by
10 210,142 MCF.

11 The Smith Federal Gas Com for the same
12 period was underproduced by only 13,784 MCF, and again, in-
13 cluding the '84-'85 proration period, the total imbalance is
14 in the order of 1.3 BCF for the Smith Federal 11-1 and 665-
15 million cubic feet for the Smith Federal Gas Com 12-1.

16 Q And these are the amounts that we are
17 asking today to have reinstated, is that correct?

18 A Yes, sir.

19 Q In summary, it's your opinion that these
20 wells throughout the period of time at issue have deliver-
21 ability far in excess of the nonmarginal well allowables,
22 correct?

23 A Yes, sir.

24 Q But they didn't deliver because our cus-
25 tomer didn't take gas, correct?

1 A Yes.

2 Q That the gas that we did not produce and
3 have had cancelled, if it isn't reinstated we'll lose it
4 through drainage because of the nature of the field, is that
5 correct?

6 A Yes, sir. Technically we've already lost
7 it. Were the field to stop producing as of this date we
8 would be behind those volumes in comparison to all the sur-
9 rounding wells.

10 Q And in your opinion that would be an un-
11 fair situation.

12 A Yes, sir.

13 Q Not protective of our correlative rights
14 in this field.

15 A Would you repeat that? I didn't hear.

16 Q Our correlative rights would be unpro-
17 tected without this reinstatement.

18 A Yes, sir.

19 Q Thank you.

20 MR. WILLIAMS: That's the end
21 of my case, Mr. Examiner.

22 MR. STOGNER: Thank you.

23 Mr. Horn, your witness.

24 MR. HORN: Let me go through
25 some of your --

1 MR. WILLIAMS: Oh, excuse me,
2 one second.

3 I would like to offer the exhi-
4 bits into evidence at this time.

5 MR. HORN: I --

6 MR. STOGNER: Is there any
7 objection?

8 MR. HORN: I may have some.
9 I'd like to voir dire the witness on some of these exhibits,
10 if I may.

11 MR. STOGNER: Any ones in
12 particular?

13 MR. HORN: Yes. Twelve, Six,
14 Seven, Nine --

15 MR. STOGNER: Why don't we just
16 hold off on admitting them now?

17 MR. WILLIAMS: All right.

18 MR. HORN: I can tell you the
19 ones I have no objection to. I may not have an objection,
20 Mr. Hearing Examiner.

21 I have no objections to Exhi-
22 bits One, Two, Three, Four, Five, Eight, Ten, Fourteen or
23 Fifteen.

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VOIR DIRE EXAMINATION

BY MR. HORN:

Q If you would, turn to Exhibit Six, please, your blue plot, and it's also the same on Exhibit Seven, the x's where you have the allowable indicated, is it your testimony that this is the actual allowable for these two wells during this period of time?

A My actual testimony throughout this hearing has been that this is the nonmarginal well allowable for a standard 640-acre unit.

Q But you're not testifying that this is the allowable that were set for these two wells.

A No, sir, I'm not.

Q All right. And that would be true for every one of these exhibits, Six, Seven, Exhibit Nine, where you're saying nonmarginal allowable during that period of time, again that is not the allowable set for these two particular -- this well on Exhibit Nine, Exhibit Eleven, Exhibit Twelve, Thirteen, Sixteen, Seventeen, and Eighteen, is that correct?

A Okay, let me exactly define when the nonmarginal allowable referenced on all these exhibits actually applied to these wells.

Q Okay.

1 A As you'll recall from my testimony, the
2 wells were reclassified effective August 1st of 1984;
3 therefore the nonmarginal well allowable was applicable for
4 both wells up to August 1st of 1984.

5 Additionally, upon reclassification of
6 each of these wells, the Smith Fed Gas Com in January, 1986,
7 and the Smith Federal 11-1 in April, '86, subsequent to each
8 of those two dates the wells would have nonmarginal
9 allowables.

10 Q So for the period of time on all of these
11 exhibits from August of '84 until January of '86 for one
12 well and April of '86 for the other well your indication of
13 an allowable here is -- is not the allowable that was set
14 for these wells, is that correct?

15 A By the Commission, no.

16 Q All right.

17 MR. HORN: Mr. Hearing Exami-
18 ner, I have no objection to any of the exhibits if the Hear-
19 ing Examiner is clear that where indicated on the exhibits
20 that this is the allowable, as the witness had testified
21 that is not the allowable set for these two wells during the
22 period of time August of '84 to January of '86 in the case
23 of the -- is it the Smith Federal 1?

24 A Which was the second date, I'm sorry?

25 A January 1.

1 Q That would be for the Smith Federal Gas
2 Com 12-1.

3 Q And through April of '86 for the Smith
4 Federal No. 1.

5 MR. STOGNER: What exhibits are
6 you talking about?

7 MR. HORN: The exhibits that
8 I'm talking about would be Exhibit Six, Seven, Nine, Eleven,
9 Twelve, Thirteen, Sixteen, Seventeen, and Eighteen.

10 A Give me one moment, please.

11 MR. WILLIAMS: Could I have
12 just a second?

13 A For the clarity of the record, the allow-
14 ables are correct on Exhibit Nine.

15 Those were the actual equivalents that we
16 had.

17 Q Those were -- okay, I'm sorry. I with-
18 draw my objection to Exhibit Nine.

19 A Well, let me check the rest.

20 MR. WILLIAMS: You know, the
21 purpose of most of these exhibits is to show that, clearly
22 that the wells could deliver, have delivered above the non-
23 marginal well allowable, so we thought that it was rather
24 obvious that that is what the marking on those charts are.

25 MR. HORN: Well, so long as

1 it's clear that these exhibits are not being offered to show
2 that this was the allowable for --

3 MR. WILLIAMS: That's correct.

4 MR. HORN: -- these particular
5 wells during the period of August of '84 through 1986, and
6 from the face of them, someone just picked this, for exam-
7 ple, picking up one of these exhibits, it may not be clear.

8 MR. WILLIAMS: I understand.

9 MR. STOGNER: Okay, so that I
10 understand, I thought I understood and now I think I might
11 be confused.

12 On Exhibit Six, the blue up
13 there which shows allowable is what the allowable would have
14 been if it stayed -- if it was at a nonmarginal status, is
15 tha correct?

16 A Yes, sir. It is our opinion that on a
17 periodic basis we could have petitioned the Commission to
18 maintain that allowable at a nonmarginal status but that it
19 would have been of no material benefit.

20 MR. WILLIAMS: Once again, Mr.
21 Examiner, we used that on these exhibits to show that the
22 wells had deliverability far in excess of the nonmarginal
23 well allowable had it been applied to our wells.

24 MR. STOGNER: And so that I can
25 get back on track here, Mr. Horn, you're objecting to the --

1 any of the exhibits at this time?

2 MR. HORN: If the Hearing Exa-
3 miner is clear what -- that the blue lines here are what
4 they're contending would have been the allowable had it been
5 nonmarginal, but that that is not in fact the allowable for
6 these two wells, we have no objection to it; as long as that
7 point is clear.

8 MR. STOGNER: I am clear on it.

9 MR. HORN: All right.

10 MR. STOGNER: So do you have
11 any objection?

12 MR. HORN: No, sir.

13 MR. STOGNER: Okay, Exhibits
14 One through Eighteen will be admitted into evidence at this
15 time.

16 MR. WILLIAMS: Thank you.

17 MR. STOGNER: Mr. Horn, your
18 witness.

19

20 CROSS EXAMINATION

21 BY MR. HORN:

22 Q You have indicated on a number of occa-
23 sions in your direct testimony that the production was in
24 control of Gas Company of New Mexico and that you had no op-
25 portunity to produce this gas other than to -- to Gas Com-

1 pany of New Mexico, is that correct?

2 A Yes, sir.

3 Q Is it your view that during this period
4 of time that there was migration of gas from beneath your
5 680-acre spacing on each of these two wells?

6 A Yes, sir.

7 Q Is it your view that the migration of
8 this gas was due to the proration rules or some other cause?

9 MR. WILLIAMS: I'm not sure I
10 understand that question. Perhaps you could rephrase that.
11 I'm not sure that the rules can make gas move physically.

12 Q Is it your opinion that the migration or
13 drainage in this case was caused by any proration rules as
14 set by the Oil Conservation Division?

15 MR. WILLIAMS: Thank you. I'm
16 sorry, I still don't understand that question. I'm not
17 trying to be obstreperous but I really don't understand it
18 so I have -- I can't ask him to answer it because I don't
19 know what it is.

20 Do you understand the question?

21 A Not really.

22 MR. WILLIAMS: Is there a way
23 that you could explain it otherwise?

24 Q Is it your opinion that there was migra-
25 tion or drainge --

1 A Yes, sir.

2 Q -- of this -- of the gas from underneath
3 the 640-acre spacing units? Is that correct?

4 A Yes, sir.

5 Q All right, and are you contending that
6 migration or drainage was cause in any manner by the prora-
7 tion rules as set by the OCD?

8 MR. WILLIAMS: I don't -- I
9 think you're asking something that he can't possibly -- how
10 can rules make gas move? I think that's my trouble with the
11 question. Gas will move under pressure, not by rules.

12 Q Do you understand my question?

13 A Not really.

14 Q Okay. What do you contend caused the
15 migration of the gas that you claim -- that you -- that
16 you've expressed your opinion on?

17 A The fact that surrounding wells produce
18 at rates greater than our wells would cause migration.

19 Q All right. Do you believe the surround-
20 ing wells' production being greater than these two wells was
21 caused in any manner by the proration rules as set by the
22 OCD?

23 A It is my opinion that the difference in
24 the production rates of the various wells was related to who
25 their purchaser was.

1 Q And so I take it by your answer that you
2 do not believe that that was caused by the proration rules
3 as set by the OCD, is that correct?

4 MR. WILLIAMS: I object to
5 that. I still don't understand that question, and he
6 doesn't understand the question and I don't think it's fair
7 to ask us to answer a question that boggles both of us, and
8 I don't know where you're going with it, either, I mean,
9 which doesn't matter, but I just can't understand it.

10 Q Do you contend, sir, that the migration
11 due to the production from surrounding wells was caused in
12 any manner by the proration rules of the OCD?

13 MR. WILLIAMS: Unless you're
14 absolutely sure that you understand that question, please
15 don't answer it, Mr. Zinsmeister.

16 MR. HORN: Mr. Hearing Exami-
17 ner, could I have a direction that the witness answer the
18 question?

19 MR. STOGNER: Do you understand
20 the question?

21 A No, I don't, sir.

22 MR. STOGNER: Could you re-
23 phrase the question where it's understandable, or more
24 clear?

25 Q You have stated to this hearing that the

1 migration was due to lack of takes by the purchaser, is that
2 correct?

3 A No, I have stated that the migration is
4 due to the surrounding nonmarginal wells producing at rates
5 that were greater than the rates from the two Amoco-operated
6 wells.

7 Q And you have further gone on with that
8 answer and asserted that that differential was due to the
9 lack of takes by your purchaser, is that correct?

10 A That is why Amoco did not sell the non-
11 marginal allowable. My purchaser, or Amoco's purchaser, did
12 not take the gas.

13 Q All right. Are you contending that that
14 differential was in any manner caused by the proration rules
15 as set by the OCD?

16 MR. WILLIAMS: Object. In-
17 struct the witness not to answer. This is silly. I still
18 don't understand it. You keep asking the same question over
19 and over again. We just don't understand it, Mr. Horn.
20 We're not trying to be obstructive to you.

21 MR. HORN: Mr. Hearing Exam-
22 iner?

23 MR. WILLIAMS: You've already
24 asked the Examiner the issue, too.

25 MR. HORN: May I have an answer

1 to my question? He has testified that the differential was
2 due to the lack of takes by purchaser and now I'm asking him
3 if he feels that the same differential was in any manner
4 caused by the proration rules and he refuses to answer that
5 question.

6 MR. WILLIAMS: Well, may I --
7 Mr. Examiner, may I state something in this regard? He
8 asked -- there's two issues. What made the gas flow; he
9 testified that it was migration from wells producing, and
10 then he was asked why, and he said, well, because the other
11 wells produced more because they had a purchaser. I think
12 that answer the question and it's pretty clear to me. I
13 don't know what's left. We know why the gas moved and we
14 know why someone else produced more than others.

15 We know what the proration
16 rules are. They're law. I don't understand this at all and
17 I'm very afraid of letting my witness answer a question that
18 he really doesn't understand. He's an engineer. He's an
19 expert. He's --

20 MR. STOGNER: I don't see the
21 point of that question, either.

22 MR. HORN: Well, the point of
23 the question is it is a contractual requirement between the
24 two parties and this production, if there is any drainage or
25 migration under the terms of the contract between Gas

1 sion into a contract dispute, which is a completely differ-
2 ent issue.

3 If there is wording in the con-
4 tract it's unfair to ask the Examiner to allow you to go in-
5 to that here, Mr. Horn.

6 We'll have plenty --

7 MR. HORN: If this witness is
8 going to testify that this -- that it was fruitless to come
9 before the Commission and seek reinstatement because they
10 could not sell it, that is his opinion --

11 MR. WILLIAMS: Right.

12 MR. HORN: -- and he has testi-
13 fied to that, and in fact is not, if he had an alternative
14 purchasers, which his contract allows him to have, then it
15 would not have been fruitless to do it, so I'm cross --

16 MR. WILLIAMS: Well, I don't --

17 MR. HORN: -- examining this
18 witness about his opinion about not coming before this Com-
19 mission and asking --

20 MR. WILLIAMS: Then ask him
21 facts. Ask him if we had another purchaser. I mean that he
22 can answer, but he can't interpret the contract for you
23 here, Mr. Horn.

24 MR. HORN: May I have an answer
25 to my question?

1 MR. WILLIAMS: Boy, I stren-
2 uously object to this and I still don't understand it.

3 I'm not even familiar with this
4 contract, Mr. Examiner, and I don't -- it even places me in
5 an unfair position. I don't --

6 MR. STOGNER: But the contract
7 is not part of the cross examination as far as I can see.
8 Did you offer a contract as an exhibit today?

9 MR. WILLIAMS: No, sir, I
10 didn't.

11 MR. STOGNER: Let's go back on
12 the cross examination. If you can't reinstate (sic) the
13 question, let's move on to something else.

14 Q When were these wells -- let's take first
15 the Smith Federal, when was that well classified -- or when
16 was the classification changed from a marginal to a non --
17 to a marginal status?

18 A It was changed to a marginal status as of
19 August 1st, 1984.

20 Q And were any allowables cancelled at that
21 point in time?

22 A The accrued underproduction was cancel-
23 led?

24 Q And what was that amount?

25 A It's in the exhibit for the proration

1 schedule as of that month?

2 Q And what was that figure?

3 A Approximately 654,763 MCF, according to
4 the proration schedule.

5 Q And when was the Smith Federal Gas Com
6 reclassified to a marginal status?

7 A As of August 1st, 1984.

8 Q What was -- were there any allowables
9 cancelled at that point in time?

10 A There was an accrued underproduction that
11 was cancelled.

12 Q And what was that amount?

13 A That was 206,782 MCF.

14 Q Since the cancellation of those
15 allowables in August, 1984, have there been any further
16 cancellation of allowables on these two wells?

17 A I'm not sure I understand your question.

18 Q Has the OCD cancelled any allowables for
19 these two wells since August of 1984?

20 A The OCD has issued an allowable for both
21 of these wells every month.

22 Q And there have been no further
23 cancellation of allowables since August of '84, is that
24 correct?

25 A That's correct.

1 MR. HORN: That's all the
2 questions I have.

3 MR. STOGNER: Any redirect?

4 MR. WILLIAMS: No, sir.

5

6

CROSS EXAMINATION

7 BY MR. STOGNER:

8 Q I'm not sure I'm clear, Mr. Zinsmeister,
9 why Amoco didn't come out earlier and seek that underproduc-
10 tion to be reinstated.

11 Would you please elaborate a little bit
12 more?

13 A To the best of my knowledge, we had a gas
14 purchaser that wasn't taking our gas, and we saw no merit in
15 approaching the Commission asking them to reinstate these
16 wells to a nonmarginal status, which we could have demon-
17 strated the performance of the well, had our allowable rein-
18 stated, and yet not be able to produce it in nonmarginal
19 quantities.

20 There also was a provision under Rule R-
21 1670 that any accrued underproduction that is not produced
22 within a year would be cancelled, anyway; therefore, we
23 would have had to come to the Commission, routinely, and ask
24 for reinstatement, probably gain it, this is an inference on
25 my part, and then lose it because we did not produce it.

1 Q So what you would have gained in '84 if
2 you would have routinely come in, you're saying you would
3 have lost it in '85.

4 A At the end of the next proration period,
5 the Commission, I'm not quite sure how you all do this, by
6 computer or Mr. Garcia, would have by the rules cancelled
7 that accrued underproduction.

8 Q So this well, both these wells have been
9 -- been drained, as you say, during this whole time.

10 A To the best of my knowledge.

11 Q But you didn't see fit for it to come in
12 earlier and get it reinstated because you felt it was
13 fruitless.

14 A Thought it was fruitless.

15 Mr. Examiner, I would like to point out
16 to you my involvement in this issue has really only begun
17 since October of this past year, so when I say it's
18 fruitless for our company to come in, I'm not here telling
19 you that I have been watching the field the entire time and
20 cognizant of this problem.

21 Q So when you say "you" I think Amoco,
22 okay.

23 A Personally.

24 MR. STOGNER: I have no further
25 questions of Mr. Zinsmeister at this time.

1 Are there any other questions
2 of this witness?

3 MR. WILLIAMS: No, sir.

4 MR. HORN: No, sir.

5 MR. STOGNER: Let's have Mr.
6 Zinsmeister step down.

7 Now I guess we are ready for
8 closing statements. I'll allow Mr. Horn to go first and
9 then I'll have you follow up.

10 MR. HORN: Mr. Hearing
11 Examiner, Gas Company of New Mexico has no objection to the
12 reinstatement of the allowables that were cancelled in
13 August, 1984. The witness testified as to the actual
14 cancelled allowables that occurred when both of these wells
15 were reclassified from a nonmarginal to a marginal status
16 and we have no objection to that.

17 If Amoco believes that it was
18 fruitless or needless to come in before this Commission to
19 change from a marginal status back to nonmarginal in 1986,
20 we don't see how there can be reinstatement of what would
21 have been the allowables had these not been marginal wells,
22 and even though Amoco is now coming in seeking reinstatement
23 of the cancelled allowables from August of 1984, we have no
24 objection to that, but to come in now and ask for some kind
25 of a reinstatement of allowables that were never assigned to

1 these wells because they failed to come in and seek a
2 reclassification, I don't see how this Commission can do
3 that.

4 MR. STOGNER: Thank you, Mr.
5 Horn.

6 MR. WILLIAMS: Well, Mr.
7 Examiner, we feel that the Commission is well able to do
8 that. In fact, we feel that if it doesn't do it it's
9 terribly unfair, and certainly not within the spirit of the
10 rules.

11 It is clear, there's no doubt,
12 it would have been pointless to come in at the end of each
13 quarter, spend your time and our time to reinstate these
14 allowables when we had no market for them. Our customer
15 wasn't taking.

16 At this point we hope, dearly
17 hope, that we have a market for this gas and we'd like to
18 have it to sell it. If we don't, our neighbors are going to
19 take it and that's drainage and it's an unfair burden on our
20 correlative rights, and that's the very point for the
21 Commission's rules, to avoid that type of situation.

22 So that's why we're here today
23 and I can't imagine any -- any fairer request being made to
24 the Commission than this, and I think our evidence supports
25 that.

1 MR. STOGNER: Is that all?

2 MR. WILLIAMS: That's it, sir.

3 Thank you.

4 MR. STOGNER: Before you go, I
5 will request that you provide me with a rough draft order of
6 this.

7 MR. WILLIAMS: Yes, sir, will
8 do.

9 MR. STOGNER: Mr. Horn, if you
10 see fit --

11 MR. HORN: Okay.

12 MR. STOGNER: -- I'll take one
13 from you, too. Let's say in ten days?

14 MR. WILLIAMS: How about ten
15 minutes? We can do it. We have one for you.

16 MR. STOGNER: Mr. Horn, what
17 would be sufficient time?

18 MR. HORN: If I could see
19 theirs I may not have any problem with it, if I could have a
20 few minutes to go over it.

21 MR. STOGNER: Well, let's take
22 a little recess.

23

24 (Thereupon a recess was taken.)

25

1 MR. STOGNER: We've had a rough
2 order from Amoco with some appropriate changes, or changes
3 which Gas Company of New Mexico has submitted, so I've
4 essentially got an order from both parties, and if there's
5 nothing further in Cases Numbers 8922 or 8923, both cases
6 will be taken under advisement.

7
8 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case Nos. 8922 + 8923 heard by me on 25 June 1986.

Michael P. Slovic, Examiner
Oil Conservation Division