Case 330 A

JASON W. KELLAHIN
ATTORNEY AT LAW
LAUGHLIN BUILDING
P. O. BOX 361
SANTA FE, N. M.

MAIL OFFICE OCC

July 9, 1954

Statement of Tom Bolack In Regard
To.O. C. C. Case No. 330 & 330A

Tom Bolack, independent operator, holds interests in the Blanco-Mesaverde gas pool and operates generally in northwestern New Mexico.

On the basis of testimony offered at the hearing in this case, it would appear that there are some wells of high productivity apparently located on fractured zones in the producing formation. For that reason, if deliverability is to be considered as a factor in the proration formula to be adopted, we would urge the Commission to adopt a maximum allowable and suggest the figure of 2,500,000 cu. ft. per day recommended by Southern Union Gas Co., and certainly not more than 3,500,000 cu. ft. per day. It is our belief, and we feel the record shows, that some of these wells have deliverabilities having no reasonable relation to reserves. If deliverability is considered as a factor in the proration formula adopted, the maximum allowable should be limited to prevent drainage and protect correlative rights. At the same time, a minimum allowable of 100,000 cu. ft. per day should also be provided to take care of wells of marginal productivity.

On the basis of testimony offered in the case, we would favor a formula of 75% deliverability plus 25% acreage as being fair and equitable in the allocation of production in the Blanco-Mesaverde Pool.

Respectfully submitted,

TOM BOLACK

By: Jason W. Kellahin
Attorney