

TESTIMONY FOR UPPER AND LOWER BAGLEY AND MONUMENT-MCKEE

The Bagley Upper and Lower Pennsylvanian pools are now operating under rateable take Orders R-1091-A and R-1031-A respectively. In compliance with these orders the Commission has attempted to enforce rateable take by keeping a record of the allowable and production and informing the purchasers and operators periodically as to the status of the wells. This procedure has failed to accomplish the desired results.

It is my opinion that the only way to accomplish rateable take is to prorate and issue status reports in a proration schedule and to have proper rules for controlling overproduction. This is the subject matter of this case as it pertains to the Upper and Lower Bagley and Monument-McKee.

I have prepared exhibits to show the manner in which wells have been produced from the period of June 1, 1959 to July 1, 1960, and from July 1, 1960 to October 1, 1960.

as a straight average (Show Exhibits)

in order to prorate
I recommend that the Commission prorate these three pools beginning March 1, 1961 and that the first proration period end July 1, 1961 so that future proration periods will coincide with other pools in Southeast New Mexico.