IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,	)	
Petitioners,	)	
vs.	)	No. 11,685
OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation,	)	
Respondents.	)	

TRIAL BRIEF OF PETITIONERS

INDEX TO BRIEF

TABLE OF AUTHORITIES

STATEMENT OF THE CASE

This is an appeal from Order No. R-2259-B entered by the New Mexico Oil Conservation Commission in Case No. 2504 which radically changed the original gas proration formula for the Basin Dakota Gas Pool. That formula had been promulgated when prorating of production from the pool was begun and had been in effect for approximately thirty-two months. During that period some 640* producing Basin Dakota wells had been drilled and completed in reliance upon the formula and the order which promulgated it.

The Basin Dakota Pool includes all of the known productive areas of the Dakota Formation lying in San Juan, Rio Arriba and Sandoval Counties, New Mexico. Petitioners are the operators of some 283 producing gas wells in the Basin-Dakota Gas Pool. Respondent Consolidated Oil and Gas, Inc. (Consolidated), Intervenors Texaco, Inc., and Sunray D-X Oil Company, who have intervened herein on the side of Consolidated, and Tidewater Oil Company which has attempted to intervene, operate a total of approximately 50 wells in this pool. During the course of the hearings and rehearings on the change of formula, thirteen (13) individuals or companies operating in the aggregate approximately one hundred eleven (111) of the wells in the Basin Dakota Pool supported a change in the proration formula, while fourteen (14) individuals or companies operating in the aggregate approximately four hundred forty-two (442) wells in the Basin Dakota Pool opposed the change and supported the existing formula.

---

* On January 1, 1961, there were 301 wells in the Basin Dakota (Tr. 499). On February 14, 1963, (the date of the Rehearing) there were 941. Thus, (Rehearing Tr. 144) between November 4, 1960, and July 9, 1963, at least 640 new wells were drilled and completed.

In order to prevent production from the Basin Dakota Gas Pool in excess of market demand, the Commission by its Order R-1670-C, entered Nov. 4, 1960, restricted the production from the pool, and prorated the allowable production among the various wells in the pool using for this purpose a proration formula set out in the Order. The pool has been developed on 320-acre spacing; that is to say, that the Rules and Regulations of the Commission authorize, with some degree of acreage tolerance, one gas well for each 320 surface acres, the acreage attributable to each well being sometimes referred to as a "spacing unit" or "proration unit". Those wells incapable of delivering their allowable production are classified as marginal wells, and the spacing or proration units attributable to such wells are referred to as "marginal tracts". Wells capable of delivering their allowable are classified as non-marginal wells, and the spacing or proration units attributable thereto are referred to as "non-marginal tracts". Marginal wells are permitted to produce to the extent of their capacity, and such marginal allocation is deducted from the total pool demand before application of the proration formula to the non-marginal wells.

Upon notice and after hearing on October 13, 1960, the Commission promulgated its Order No. R-1670-C establishing what is known as the "25-75 formula" for the allocation of allowable production from the Basin Dakota Gas Pool. It did so by adopting Rule 9 (c) of

the General Rules applicable to the other prorated gas pools in Northwest New Mexico. The effect of this order was to allocate 25% of the allowable gas production among the non-marginal wells on the basis of the acreage factor of each well. This factor reflects the amount of acreage attributable to the well, as compared to the standard unit of 320 acres. The remaining 75% of the non-marginal well allowable of the pool was distributed on the basis of the acreage factor multiplied by the deliverability of the gas well.

Approximately 16 months and 372 development wells after publication of the Order establishing this 25-75 formula, (Tr. 500), Consolidated made application to change the formula and allocate 60% of the allowable to the non-marginal wells on the basis of the acreage factor and 40% on the basis of the acreage factor multiplied by the deliverability of the well (referred to as the "60-40 formula"). This application was denied by the Commission after a protracted hearing. Thereafter, on application by Consolidated, a rehearing was granted, a further hearing was held, and by Order No. R-2259-B the 25-75 formula was changed to the 60-40 formula, to be effective August 1, 1963. Petitioners, believing this order to be unlawful and invalid for the reasons herein stated, have asked this Court for review of the Commission's action.

A chronological table of the several applications, hearings, orders and petitions follows:

October 13, 1960 . Original Hearing on Basin Dakota

November 4, 1960	Order No. R-1670-C (effective February 1, 1961) (establishing 25-75 formula)
February 23, 1962	Consolidated's Original Application (requesting 60-40 formula)
April 18-21, 1962	Hearing on Consolidated's Original Application
June 7, 1962	Order No. R-2259 (denying Consolidated's application)
June 27, 1962	Consolidated's Application for Rehearing
July 7, 1962	Order No. R-2259-A (granting rehearing)
February 4, 1963	Rehearing
July 9, 1963	Order No. R-2259-B (effective August 1, 1963)(changing formula from 25-75 to 60-40-entered July 9, although dated July 3)
July 26, 1963	Petitioners' Application for Rehearing
August 1, 1963	Order R-2259-C (denying Petitioners' application for rehearing)
August 20, 1963	Petition for Review filed in District Court
August 22, 1963	Notice of Appeal filed in District Court of San Juan County

The parties are in agreement that the Basin Dakota Pool should be prorated. It is conceded by all parties that allocations of allowable

production to the non-marginal wells in the pool must meet the requirements of Sec. 65-3-14(a), NMSA, 1953, and therefore, so far as it is practicable to do so, must afford to the owner of each non-marginal tract in the pool "the opportunity to produce his just and equitable share of the ....gas.. in the pool, being an amount, so far as can be practically determined, and so far as such can be practicably obtained without waste, substantially in the proportion that the quantity of the recoverable...gas...under such property bears to the total recoverable...gas...in the pool....". (Tr. 99, 400, 410, 524; Rehearing Tr. 16-19, 21, 28, 39).

Attached to the Commission's Order No. R-2259-B changing the proration formula from 25-75 to 60-40 is Commission Exhibit "A". Since the Commission's Findings and Order are largely based on the statistical data for each of the 699 non-marginal wells contained in this Exhibit, and the validity and relevancy of this data is questioned by petitioners, an analysis of the content of this exhibit is essential to an understanding of the case.

Column A--AF.

The figures in this column represent the acreage factor (AF) for each of the 699 non-marginal wells. This is the ratio (expressed in terms of percent) of the surface acreage of the tract attributed to the well to 320 surface acres, which constitutes a standard spacing or proration unit for a well in the pool

as fixed by the Commission. Thus, a non-marginal tract with exactly 320 surface acres has an acreage factor of less than 100; and a non-marginal tract of more than 320 acres has an acreage factor of more than 100.

Column B--Daily Deliverability.

This column shows the current ability of each well to deliver gas under stated conditions. It is expressed in units of 1,000 cubic feet (MCF) per day for each of the 699 non-marginal wells as of December, 1962.

Column C--Tract Reserves, MMCF.

In this column the Commission has set forth its findings as to the initial recoverable gas reserves expressed in units of one million cubic feet (MMCF) for each of the 699 non-marginal tracts. However, these figures do not represent the portion of these reserves which can be produced without waste. In its finding (7) the Commission found that it would be impractical to allocate reserves solely on the basis of these figures because of continuous fluctuation in them.

Column D--Percentage of Pool Reserves.

This column sets out the Commission's finding as to the percentage of the total reserves of all non-marginal tracts which underlies each of the 699 non-marginal tracts.

Column H--MCF Allowable.

This column sets forth, in terms of thousands of cubic feet, what the allowable would have been for each of the 699 non-marginal wells for the month of December,

1962, if the 60-40 formula had been used to prorate pool production for that month. The acreage factor for each non-marginal tract and the current deliverability of each non-marginal well, set forth in Columns A and B, respectively, were used in making this 60-40 formula calculation.

Column I--Percentage of Pool Allowable.

This column sets forth the percentage of total pool allowable which would have been allocated to each of the 699 non-marginal wells for the month of December, 1962, if the 60-40 formula had been used to prorate pool production for that month.

Column J--A/R Factor.

This column sets forth the ratio under the 60-40 formula between (1) the percentage of total pool allowable which would have been allocated to each of the 699 non-marginal tracts if the 60-40 formula had been used to prorate pool production for the month of December, 1962; and (2) the percentage of the total pool reserves of non-marginal tracts which the Commission found in Column D to be attributable to each non-marginal tract. In other words, this column sets forth the ratio between Column I and Column D, this ratio being the Allowable Reserve Factor (A/R Factor) for each non-marginal well for the month of December, 1962.

Columns E, F, and G--25-75 Formula.

In Columns E, F, and G data similar to that respectively

appearing in Columns H, I, and J is set forth, except that these columns pertain to the 25-75 formula rather than the 60-40 formula. This data has no particular significance in this appeal, insofar as the validity of the 60-40 formula, which is here in issue, is concerned. The validity of the 25-75 formula is not an issue in this case.

The figures in Exhibit "A" of the Commission's Order are identical with the figures set forth in Consolidated's Exhibit 4, except that Commission's Exhibit "A" omits reference to any formulas other than the 25-75 and 60-40 formulas. It was contended by Consolidated that if the percentage of pool allowable for a well was exactly equal to its percentage of pool reserves so that the A/R Factor for that well was equal to one, or 100%, then the particular formula used for the computation of such A/R Factor afforded that well its exact share of the pool reserves (Rehearing Tr. 22, 23, 25). It was conceded by Consolidated that its determination as to the reserves lying under each non-marginal tract, as tabulated in Exhibit 4, could be in error by as much as 30% due to reasonable differences in interpretation of the data on which the estimates of the reserves were based (Rehearing Tr. 26, 27). Consolidated thus concluded that if the A/R Factor for a well was between .7 or 70% and 1.3 or 130%, an abuse of correlative rights would not necessarily result, (Rehearing Tr. 26) but as to wells falling outside this range, abuses of correlative rights would tend to result (Rehearing Tr. 27).

The contentions of Consolidated apparently were accepted by the Commission, since in Paragraph 14 of its July 3, 1963 Order, the

Commission found as follows:

> "(14) That, based upon the December 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined."

It is significant that the only references to the prevention of waste appear in this and the preceeding paragraphs of the Commission's findings. Only Finding No. 14 purports to relate the prevention of waste to the 60-40 formula and that solely on the basis that correlative rights will be protected, not that waste, as such, would be prevented. In fact, there was no evidence presented before the Commission by any of the parties that the 60-40 formula would prevent waste as defined by the New Mexico Statute.

A critical aspect of this case is the finding of the Commission as to the quantum of initial recoverable reserves underlying each non-marginal tract which appears in Column C of Exhibit A to the Order. If these reserve determinations are unreliable or are in error, then the data set forth in Commission's Exhibit "A" and all of the findings of the Commission which are predicated upon these reserve determinations are likewise in error.

There are two accepted methods used by petroleum engineers

in estimating recoverable gas reserves (Tr. 416). One is called the "volumetric method" in which the average net thickness of the producing sand under a property is multiplied by the acreage of the property to obtain the volume of producing sand (usually expressed in acre feet). Since only a portion of the gas can be recovered therefrom, the recovery per acre foot is then determined after considering pressure, temperature, the properties of the sand (such as porosity, permeability, interstitial water), and other appropriate factors (Tr. 366; Rehearing Tr. 53, 54). The production-pressure decline method is based on an historical comparison of the reservoir pressure with the cumulative production. Each well has a pressure decline as it produces and also has a quantitative production history (Tr. 191). Reservoir pressures of each well are plotted against the wells cumulative production, and the resulting decline curve is then projected down to the abandonment pressure at which further production will become uneconomical. (Tr. 406). The remaining cumulative production to the point of abandonment which is indicated by this projection constitutes the recoverable reserves for that well and the proration unit on which it is situate.

The Reservoir Department of petitioner, El Paso Natural Gas Company (El Paso), had made continuing calculations of the recoverable reserves in the Basin-Dakota Gas Pool. These calculations were not made to provide evidence suitable for submission to the Commission; they were not made for the purpose of determining the recoverable reserves of any well, proration unit or non-marginal tract involved in this appeal (Tr. 478; Rehearing Tr. 142, 143). El Paso's reserve calculations were

made for the purpose, and only for the purpose, of estimating the recoverable reserves in the pool as a whole (Rehearing Tr. 145).

At the first hearing on Consolidated's application in April, 1962, El Paso submitted its estimate of total pool reserves, calculated as of December 31, 1961 (Tr. 489, 493). El Paso's estimate was calculated on the basis of a study of 457 non-marginal wells, using the volumetric method (Tr. 479, 480; Rehearing Tr. 146). (By use of approximation, the testimony sometimes alludes to 460 such wells (Rehearing Tr. 14, 16). The data for making an accurate volumetric calculation was limited (Rehearing Tr. 143). El Paso had core analyses on only 65 to 68 of these wells (Tr. 479).

In order to determine the thickness of the net pay sand in the substantial portions of the reservoir for which no core analyses were available, El Paso compared the log of each well for which a core analysis was available to the core analysis of that well. This log was then compared to the logs of wells located throughout the pool in areas for which no core analyses were available. The net pay in these other areas of the pool was then estimated on the basis of this comparison (Tr. 479). Parameters of porosity, permeability, interstitial water, and other factors that go into making a volumetric calculation of reserves had to be obtained from these 65 to 68 cores. Averages for these parameters and for pressure and temperature were computed for each township rather than for individual wells (Tr. 480, 481; Rehearing Tr. 143). By applying these township averages to its estimates of net pay sand,

El Paso arrived at MCF per acre foot recoverable reserves for each township and on that basis calculated the total pool reserve (Rehearing Tr. 143).

It is significant that (1) El Paso stated that its reserve calculation methods did not accurately reflect the recoverable reserves under individual non-marginal tracts, but served only to provide a basis for estimating the recoverable reserves in the pool as a whole (Rehearing Tr. 145); and (2) El Paso's estimate of total pool recoverable reserves was, and is, subject to constant change, revision, correction, and refinement as new wells are drilled, new cores obtained, and as additional data becomes available (Tr. 480; Rehearing Tr. 136, 139, 140).

The initial recoverable reserves for each of the 699 non-marginal tracts on the Commission's December, 1962, proration schedule were determined by Consolidated almost entirely on the basis of El Paso's December 31, 1961 study of the 457 wells mentioned above (Rehearing Tr. 16-19, 35, 37). Consolidated submitted no independent calculations based on the volumetric method, the production-pressure decline method, or any other method to determine recoverable gas reserves under the individual non-marginal tracts. Instead it compared the El Paso total pool reserve estimates as of December 31, 1961, with certain reserve calculations which it testified it had made for 58 wells on which it had core and log data (Rehearing Tr. 35). According to Consolidated, a comparison of its reserve estimates for these 58 wells indicated that such estimates were in a range of 70% to 130% of El Paso's reserve

estimates (Rehearing Tr. 26, 35). On the basis of this 58-well comparison, Consolidated testified that it concluded, after allowing for reasonable differences in interpretation, that El Paso's December 31, 1961 calculations were substantially correct (Rehearing Tr. 35).

Using the El Paso reserve estimates as of December 31, 1961, Consolidated constructed a contour map (Consolidated's Exhibit 3) (Rehearing Tr. 17). This contour map was prepared by plotting the 457 wells mentioned above, using only these December 31, 1961 reserve figures (Rehearing Tr. 18).

Of the 699 non-marginal wells which appeared on the December, 1962 proration schedule, 239 wells had been completed subsequent to El Paso's December 31, 1961, reserve calculations. However, no attempt was made by Consolidated to use, or to reflect on its exhibit, the additional data which these 239 wells provided (Rehearing Tr. 34). Reserve estimates for these 239 wells were not calculated by Consolidated, and no effect of the drilling of these wells was reflected in Consolidated's reserve contour map (Consolidated's Exhibit 3), although all 699 non-marginal wells were plotted on the contour map and reserve figures were estimated for each of the 699 non-marginal tracts solely on the basis of the contour lines shown on this map (Rehearing Tr. 36).

Objections were made to admission in evidence of the recoverable reserves figures so obtained and presented by Consolidated (Rehearing Tr. 30, 44, 200). These objections were overruled and the Commission adopted Consolidated's contour map estimates as the recoverable reserves

under all of the 699 individual non-marginal tracts. As already stated, these reserve figures appear in Column C of Exhibit A of the Commission's Order.

Petitioners now seek review by this Court of Commission Order No. R-2259-B because it is petitioners' belief that the findings of the Commission and the evidence on which they are based do not meet the requirements of New Mexico law for a valid order changing an existing proration formula.

POINTS RELIED ON BY PETITIONERS ON PETITION FOR REVIEW

I. The Order of the Commission changing the original gas proration formula applicable to the Basin Dakota Gas Pool is unreasonable and unlawful because it is not based upon a finding that waste was occuring under the original formula or that a change of condition had occurred requiring a change in the formula.

II. The Order is unreasonable and unlawful because the Commission failed to make the basic findings of jurisdictional facts required by statute.

III. The Order is unreasonable and unlawful because it is based on affirmative findings which do not meet statutory requirements for a valid allocation of gas production.

IV. The Order is unreasonable and unlawful because the Commission's findings and the Order are not based on or supported by substantial evidence:

A. The findings as to the initial recoverable reserves under each tract are based on out-of-date data which was designed to determine the recoverable reserves in the pool as a whole and not the recoverable gas in place under the individual tracts in the pool. Such data was erroneously received in evidence over the timely objection of the petitioner, El Paso.

B. The Commission's findings supporting the 60-40 furmula are based upon a comparison of initial recoverable reserves for each tract in the pool with the current deliverabilities of the wells located upon said tracts. Such a comparison is not meaningful, is illusory and discriminatory and does not constitute substantial evidence to support the Commission's findings based upon it.

C. There is not substantial evidence in the record to support a finding by the Commission that waste will be prevented by the use of 60-40 furmula.

D. There is not substantial evidence in the record that the 60-40 formula will, insofar as it is practicable

to do so, afford to the owner of each tract in the pool the opportunity to produce his just and equitable share of the gas in the pool.

E. There is not substantial evidence to support the Commission's finding that the 60-40 formula will more adequately protect correlative rights and insofar as practicable prevent drainage between the producing tracts which is not equalized by counter-drainage.

ARGUMENT AND AUTHORITIES

I. The Order of the Commission changing the original gas proration formula applicable to the Basin Dakota Gas Pool is unreasonable and unlawful because it is not based upon a finding that waste was occuring under the original formula or that a change of condition had occurred requiring a change in the formula.

II. The Order is unreasonable and unlawful because the Commission failed to make the basic findings of jurisdictional facts required by statute.

Petitioners' Points I and II quoted above are so related that argument of the two points is being consolidated. It will be divided into subheads A and B.

A. The effect of the failure to find what portion of the recoverable reserves under each tract could be produced without waste.

Two decisions of the New Mexico Supreme Court have reviewed orders of the Oil Conservation Commission. In each case the order was declared invalid and void because the Commission failed to make basic findings of jurisdictional fact which were essential to the validity of the order.

Continental Oil Company v. Oil Conservation Commission, 70 N.M. 310, 373 P.2d 809 (1962), involved an order of the Commission changing the gas proration formula in the Jalmat Gas Pool of Lea County, and is commonly referred to as the "Jalmat" case. The situation was comparable to that in the case at bar in that the Commission had undertaken to change a gas proration formula in reliance on which a large number of wells had been drilled. The Supreme Court carefully reviewed the statutes governing Commission action, and particularly those governing the allocation of production in prorated gas pools. It held that the Commission not only must meet the statutory requirements in order to effect a valid change in all allocation formula, but that it also must show affirmatively in its order that it has done so. The Court then examined the Commission order, found that the required basic findings had not been made, and held the order invalid and void.

In the Jalmat opinion, the Court did not deal in generalities as to the findings required by the statute. On the contrary, the provisions of each applicable statute were analyzed, and the findings required were specified. In such an analysis the Court at 70 N.M. 310, 319, 373 P.2d

809, 814, said:

> "Therefore, the commission, by 'basic conclusions of fact' (or what might be termed "findings'), must determine, insofar as practicable, (1) the amount of recoverable gas under each producer's tract; (2) the total amount of recoverable gas in the pool; (3) the proportion that (1) bears to (2); and (4) what portion of the arrived at proportion can be recovered without waste." (Emphasis by the Court)

Again, the Court reiterates at 70 N.M. 324, 373 P.2d 818):

> "To state the problem in a different way, if the commission had determined, from a practical standpoint, that each owner had a certain amount of gas underlying his acreage; that the pool contained a certain amount of gas; and that a determined amount of gas could be produced and obtained without waste; then the commission would have complied with the mandate of the statute...."

In the face of this clear and unequivocal statement of the requirements which must be met by an order of the Commission changing an existing gas proration formula it is difficult to understand the failure of the Commission in the case at the bar to meet all of these requirements. Yet, fail it did.

In its Order No. R-2259-B, the Commission included findings as to (1) the amount of recoverable gas under each producer's tract, (2) the total amount of recoverable gas in the pool, and (3) the proportion that (1) bears to (2). But where is basic finding of fact (4) required by the Jalmat case? Where is the finding as to the "portion of the arrived at proportion" which "can be recovered without waste"? There is no such finding, nor is there any indication that the Commission attempted to make such a finding, even "insofar as is practicable" (70 N.M. at

319, 373 P.2d at 815).

The Court in the Jalmat case left no room for doubt as to the effect of failure to make one or more of the "basic findings of jurisdictional fact" which it found to be essential to the validity of a commission order changing a gas proration formula. It said at page 321 of the New Mexico Report (373 P.2d at 816):

> "**basic jurisdictional findings, supported by evidence, are required to show that the Commission has heeded the mandate and the standards set out by statute"

and it there concluded:

> "We therefore find that the order of the commission lacked the basic findings necessary to and upon which jurisdiction depended, and that therefore Order No. R-1092-C and Order No. R-1092-A are invalid and void."

The Court having determined that a finding as to the portion of the recoverable gas in place which can be recovered without waste is a basic jurisdictional finding, and that lacking such a finding, an order is invalid, Order No. R-2259-B is clearly unlawful and void.

The fatal character of the deficiency in the Order which results from failure of the Commission to make the required finding as to "what portion of the arrived at proportion can be recovered without waste" can be demonstrated readily. As an unavoidable result of this failure the Commission used a standard for the measurement of each individual owner's correlative rights which is not authorized by the statute and which

is contrary to the decision of the Supreme Court in the Jalmat case.

In its finding (7) the Commission finds that Column D of Exhibit A states the percent of the total pool reserves which are attributable to each non-marginal tract in the pool. As enumerated in the Jalmat case (70 NM 310, 319, 373 P.2d 809, 815), this is required basic finding (3) as to the proportion that the recoverable gas under each producer's tract bears to the total recoverable gas in the pool. It is not required basic finding (4) as to "what portion of the arrived at proportion can be produced without waste". There is no such finding. Nonetheless, the Commission has used the figures in Column D as the R (reserves) portion of the A/R (Allowable /Reserves) Factor of the wells as described in Finding (11). The effect of so doing is to use the total recoverable gas in place under each tract as the basis for testing the effect of the 60-40 and 25-75 proration formulas in the Order, rather than the recoverable gas in place which can be produced without waste, which the statute makes the measure of each owners right to the gas in the reservoir. In so doing the Commission has fallen into fatal error.

As pointed out above, the Jalmat decision requires that the Commission make separate specific findings as to the recoverable gas in place under each producers tract and as to the portion thereof which can be produced without waste. One is not the equivalent of the other. The owner of a tract in a pool is entitled to produce only the portion of the recoverable gas reserves which can be produced without waste. Continental Oil Company v. Oil Conservation Commission, 70 NM 310, 323, 373 P.2d 809, 818. Determination of that portion as to all tracts is mandatory upon the Commission.

Yet the Commission not having determined what those portions were, for the individual tracts in the pool, it could not test the proposed 60-40 formula or the existing 25-75 formula against them. What it did do, as stated in findings (11), (13) and (14), was to test the formulas against the reserves shown in Column D, which included that portion of the gas in place which it would be illegal to produce because to do so would result in waste.

The result is that the formulas were not tested for their effect on the correlative rights of the owners at all. The conclusion reached by the Commission on the basis of this test, that the 60-40 formula would protect correlative rights to a greater degree than the existing formula, was therefore wholly fallacious, and is unsupported by substantial evidence. Since this A/R Factor test is the entire basis for the findings of the Commission and for the change of formula made by the order, and since the test used a standard prohibited by the statute, the order is unreasonable, unlawful and invalid.

B. The failure of the Commission to find that waste was occurring under the original formula or would be prevented by the proposed formula.

The case of Sims v. Mechem 72 N.M. 186, 382 P.2d 183 (1963), was the second appeal from a decision of the Oil Conservation Commission considered by the Supreme Court of New Mexico. It involved exercise by the Commission of its power to effect compulsory pooling of adjacent tracts and did not relate to the change of a proration formula. The result reached was identical with that reached in the Jalmat case. The Order was declared

invalid and void because it did not contain basic findings required under the New Mexico statute.

In the Sims opinion, the Jalmat case was relied upon very heavily. As in Jalmat, the Court in Sims looked to the basis of the Commission's authority, which it found expressed in Section 65-3-10, as the power and duty to prevent waste and protect correlative rights. Looking next to Section 65-3-29(h), the Court concluded that the prevention of waste must be the foundation for any Commission action. The Court then examined the order under attack for a proper finding concerning waste, and finding none, held the order void, saying (72 N.M. 186, ____, 382 P.2d 183, 185):

> "We conclude, therefore, that since commission Order R-1310 contains no findings as to the existence of waste, or that pooling would prevent waste, based upon evidence to support such a finding, the commission was without jurisdiction to enter Order R-1310, and that it is void. Continental Oil Company v. Oil Conservation Commission, supra."

In the case at bar there is no finding that waste was occurring under the old formula or that adoption of the new formula will prevent waste.

The only use of the word "waste" occurs in Findings (13) and (14) of the order, which findings fall far short of meeting this requirement. Findings (13) and (14) are as follows (Order No. R-2259-B):

> "(13) That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights.

> "(14) That, based upon the December, 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined."

In Finding (13), the Commission, after finding that correlative rights were not being adequately protected under the old formula, concludes that waste will result unless action is taken to protect correlative rights. That waste inevitably occurs unless correlative rights are protected, is untenable as a legal conclusion. Such a conclusion is obviously erroneous in view of the statutory definition of correlative rights (Section 65-3-29-(h) which recognizes that the right to one's just and equitable share of gas in the reservoir is limited to that portion which may be recovered without waste. In other words, the Commission's statutory duty to prevent waste is unconditioned, but the action which may be taken to protect correlative rights is limited by the paramount duty to prevent waste. Correlative rights are entitled to protection only to the extent that waste will not be caused thereby. Accordingly, the conclusion of Finding (13) is erroneous, for waste does not necessarily occur as the result of all infringements of correlative rights, and there is no evidence in the record as to waste which would occur if no change in the 25-75 formula were made.

Having reached an erroneous conclusion that waste necessarily

will result from violation of correlative rights, Finding (13) insofar as it relates to waste, cannot be considered as supporting the Order. The erroneous conclusion in Finding (13) that waste will result unless the Commission acts to protect correlative rights is not the equivalent of a finding as to the existence of waste under the existing formula or that the new formula will prevent waste. Without a proper finding of the existence of waste under the old formula or that the new formula will prevent waste, Order R-2259-B lacks an essential basic finding of jurisdictional fact and is void.

It is obvious that in making Findings (13) and (14) the Commission was seeking desperately a means whereby its Order might be predicated upon the prevention of waste. It was faced at the outset, however, with a total absence of evidence in the record* that waste was occuring under the 25-75 formula. In Finding (14), it found that the proposed 60-40 formula "will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool." (Emphasis supplied). But "permitting more wells to receive their just and equitable share of the gas in the pool" constitutes the protection of correlative rights only to the extent that the share can be produced without waste Sec. 65-3-29(h) NMSA, 1953. With the statutory language "without waste" omitted, as it was omitted in Finding (14), the effect not only is not to prevent waste, but if literally applied could result in waste.

Consequently, even though Findings (13) and (14) mention waste,

* The record on this subject will be analyzed in detail under Point IV in this brief.

neither affirmatively finds that waste was occurring under the old formula or that waste will be prevented under the new formula. Nowhere else in the order does the word "waste" even appear. Under the doctrine of the Sims case an affirmative finding of waste, supported by substantial evidence, is indispensable to the validity of the order; the lack of such a finding renders the order invalid and void.

In summary of this point, we submit that Commission Order No. R-2259-B is invalid and void in that it fails to contain basic findings of jurisdictional fact required by the Jalmat and Sims cases, to-wit: (1) there is no finding of the portion of each tract's recoverable reserves which can be recovered without waste, and (2) there is no finding that waste is occurring under the 25-75 formula or that waste will be prevented by adoption of the 60-40 formula.

III. THE ORDER IS UNREASONABLE AND UNLAWFUL BECAUSE IT IS BASED ON AFFIRMATIVE FINDINGS WHICH DO NOT MEET STATUTORY REQUIREMENTS FOR A VALID ALLOCATION OF GAS PRODUCTION.

A. Allocation of Production Contrary to Statute

Petitioners have pointed out under Proposition II the failure of the Commission to make the necessary basic findings of jurisdictional fact required by statute. Under this Point, it will be demonstrated that the Commission made findings that are improper in themselves and which render the order invalid. We refer particularly to Findings (7), (10), (11) and (14) of the Commission's order.

Section 65-3-14(a), N. M. S. A., 1953 establishes standards to guide the Oil Conservation Commission in allocating production:

> "65-3-14. Equitable allocation of allowable production--Pooling--Spacing. --(a) The rules, regulations or orders of the commission shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practicably obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for this purpose to use his just and equitable share of the reservoir energy."

The legislature has provided that the owner of each property is entitled to an allocation of his proportionate share of the pool allowable. The Supreme Court, in Continental Oil Company vs. Oil Conservation Commission, supra, as above pointed out, has applied this statute strictly and for failure of the Commission to comply with it

struck down an order of the New Mexico Oil Conservation Commission similar to the one here under consideration. In that case, the Supreme Court of New Mexico quoted from the case of Opp Cotton Mills vs. Administrator, 312 U.S. 126, 61 S.Ct. 524, 85 L. Ed. 624 (1941) as follows:

> "The essentials of the legislative function are the determination of the legislative policy and its formulation as a rule of conduct. These essentials are preserved when Congress specifies the basic conclusions of fact upon ascertainment of which, from relevant data by a designated administrative agency, it ordains that its statutory demand is to be effective."

Then, continuing in its own words, the New Mexico Court said to the New Mexico Oil Conservation Commission:

> "The Oil Conservation Commission is a creature of statute, expressly defined, limited and empowered by the laws creating it."

On that premise, it required that the Commission conform to the statute and that it make specific findings establishing that it had done so.

In findings (10) and (11) of the order the Commission gave the appearance of intending to following the statute, but actually did something else entirely. In finding (10), the Commission found that there was no direct correlation between deliverability and reserves or between acreage and reserves. Alone, this finding is not improper, for if the Commission had been justifying resort to another criterion that had a direct correlation to reserves, it would have been proper to find that deliverability and acreage had no such relationship. But

the exact contrary is the case. In finding (10) the Commission determined that deliverability and acreage were not proper criteria, yet in the following findings the Commission adopted a combination of these allegedly useless criteria as the entire basis for the allocation of allowable in the Basin-Dakota Pool for an indefinate period of time.

The Commission began its deviation from statutory requirements at the outset of finding (11) when it stated what it considered to be "the most reasonable basis for allocating production". Then it arrived at its allocation formula, not by promulgating the formula which would permit the owner of each property to produce his proportionate share of the pool reserves as nearly as can practicably be determined and produced without waste, but rather by selecting a formula that "will allow the maximum number of wells in the pool to produce" between 70% and 130% of its total reserves as computed in Column C, without reference to waste. Thus it is apparent that instead of meeting the statutory requirements and making findings to demonstrate that it had done so, the Commission substituted its judgment for the statutory standards and requirements and promulgated the order which in its opinion provided the "most reasonable basis for allocating production."

The Commission attempted to justify its action on the basis that the formula would give a "maximum number of wells" between 70% and 130% of what they were entitled to receive, when applied to the

pool allowable for the month of December 1962. It made no attempt to explore the effect of its application to the pool allowable for any other month even though the formula would be in effect indefinately. Even if it were conceded, which it is not, that a formula which gave every operator between 70% and 130% of what he was entitled to receive under the statute was proper, this order still would be invalid. By its own provisions it demonstrates that even though it considers the bracket from 70% to 130% to be within acceptable tolerance, Exhibit A attached to the order shows that a vast number of the tracts in the pool fall outside of the 70% to 130% norm under this formula. No one would contend that the tracts that fall outside of the arbitrary 70% to 130% norm are being allocated their prorata share of the pool allowable. Even the Commission does not so represent; rather, it seems to concede that the order does not follow the statute in this respect but adopts it as the "most reasonable basis for allocation of production" available.

This case is not the first time that the Commission, because of a difficult situation, has endeavored to substitute its own standard for that of the statute in promulgating a proration order. In the so-called "Jalmat" case, the Commission based its formula on findings that it would provide "a more equitable allocation" just as here it finds the formula to provide the "most reasonable basis" for allocating production. The Supreme Court struck down the Jalmat order saying:

> "Referring to the Commission's Finding No. 5, which is to the effect that the new formula will result in a 'more equitable allocation' of the gas production in

> said pool than under the present gas proration formula, we do not believe it is a substitute for, or the equivalent of, a finding that the present gas proration formula does not protect correlative rights."

It is recognized that the problem of the Commission in arriving at a proration formula is not a simple one. It also is recognized that the statute provided for this situation in 65-3-14(a) by the provision that the Commission should allocate the proportionate share of the pool reserves to each tract owner "so far as it is practicable to do so" and "substantially in the proportion," etc. But this is not accomplished by the arbitrary use of factors which the Commission has determined to have no direct correlation with correlative rights. Neither is it accomplished by promulgating an order that serves to allocate between 70% and 130% of the proper allowable to approximately one-half of the pool tract owners, leaving almost the same number with drastically more, or less, allowable than they are entitled to receive.

B. The Commission Cannot Have It Both Ways.

There is an additional and very fundamental respect in which the affirmative findings of the Commission result in invalidity of the Order. In finding (8) the Commission has found that production cannot be allocated solely on the basis of the percentage of the total pool reserve attributable to each non-marginal tract, because of "the continuous fluctuation in reserve computations resulting from new completions in the pool and re-evaluation of reserves of existing wells." In other words, the Commission found that there is such constant fluctuation in the figures in Column D of Exhibit A that they are not a suitable or reliable measure

of the statutory right of the individual owners to participate in the allocation of pool allowable over the extended period that a proration formula would be in effect. The Commission so concluded in the face of the fact that the statute makes the percentage of pool reserves the principal measure of the rights of individual owners to participate in allowable production, and hence of their correlative rights.

Having so concluded, however, the Commission nevertheless proceeded to compare the results of the 60-40 formula and the 25-75 formula to the figures in Column D of Exhibit A and to make correlation with those figures the basis, and the sole basis, for changing the existing formula and promulgating the 60-40 formula. The vice inherent in so doing is obvious. Thereby the Commission accepted and gave effect to the figures in Column D as the correct measure of the rights of each owner for the period that the 60-40 formula shall remain in effect, when it had already concluded that they were unreliable and impracticable of use for that purpose.

Either the percentages in Column D were suitable measures of the correlative rights of the owners in a proration formula (the "without waste" aspect is disregarded for purposes of this discussion) or else their continuous fluctuation, as found by the Commission, made them unsuitable for that purpose and their use "impracticable."

The Commission cannot have it both ways, but that is exactly what it has tried to do. It attempted to say that the use of these percentages was impracticable as a basis for allocating allowable because of the continuous

fluctuation which would occur; yet it substituted the 60-40 formula for the 25-75 formula because its use more closely approached the exact result which would have been obtained if the percentages in Column D had been used.

If the Commission was correct in finding that it was impracticable to prorate on those percentages, it was equally impracticable to prorate on a formula (60-40) which was selected solely on the basis that it got the same result in a different way, or at least close to the same result.

The use of a formula so selected had all of the vice and none of the virtue of using the Column D percentages themselves. The Commission found that the vice which prevented use of Column D was the continuous fluctuation in these calculations which would result from additional development in the pool. But since the 60-40 formula was adopted only because its results more closely conformed to the use of Column D, the same information from additional development would require equal, and equally frequent, changes in the 60-40 formula, if the A/R factor of a majority of the wells was to be maintained in the 70% - 130% (or .7-1.3) range of tolerance.

Obviously the virtue of the use of the Column D percentages themselves would have been that at least as of December 1, 1962, all wells would have produced with what the Commission in its finding (11) called "the ideal A/R Factor of 1.0). No such virtue could be claimed for the 60-40 formula, however, as under it almost half of the wells in the pool not only do not produce at the ideal factor of 1.0 but are outside the

Commission's 0.7 to 1.3 limits of reasonable tolerance.

Use of the percentages in Column D as a basis for determining the allowable of individual wells either was practicable or it was impracticable. If it was practicable, the statute required the Commission to use them as the best measure of the correlative rights of the owners and the order is erroneous in holding to the contrary. If it was impracticable, as the Commission found, the use of the 60-40 formula was equally impracticable, in that as a result the correlative rights of the owners of the individual tracts in the pool would be measured by the percentages in Column D, for the duration of the 60-40 formula, with no provision for giving effect to changes and fluctuation which the Commission found would occur. In either event, the order is patently erroneous, arbitrary and invalid.

C. The Affirmative Findings of the Order Disclose that Correlative Rights Are Not Protected by it.

Section 65-3-10, NMSA, 1953 provides:

> "The Commission is hereby empowered, and it is its duty, to prevent the waste prohibited by this Act and to protect correlative rights, as in this Act provided....."
>
> (emphasis ours)

At Section 65-3-29(h) the legislature defined "correlative rights" in the following language:

> "(h) 'Correlative rights' means the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy."

Section 65-3-14(a) of the statute, which was enacted long prior to the statutory definition of correlative rights quoted above, contains this requirement:

> "The rules, regulations or orders of the Commission shall, so far as it is practicable to do so, afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool....."

The quotation then defines an owner's "just and equitable share" in the same words that are used in the definition of correlative rights in Sec. 65-3-29(h), supra.

It is apparent that the foregoing sections of the New Mexico statute

make it mandatory that the Commission permit each owner to produce the percentage of the pool allowable which corresponds to the portion of the recoverable gas in the pool which lies under his tract and can be produced without waste. Unless this opportunity is afforded to the owner of a tract in the pool, his correlative rights are not protected. Any order of the Commission which fails to protect correlative rights is invalid under the last quoted section of the statute. In this situation it is apparent that no order of the Commission is valid which fails "so far as it is practicable to do so" to afford every owner the opportunity to produce the portion of the pool allowable which corresponds to his portion of the pool's recoverable reserves and can be produced without waste. Only if it is impracticable to do otherwise is the Commission authorized to allocate allowable on a basis which denies this fundamental right of a tract owner. Only in case of such impracticability will an order which has this effect be valid.

The affirmative findings of the Commission in Order R-2259-B, and Exhibit A which is a part thereof, show that under the 60-40 formula a large proportion, but less than half, of the wells in the pool will receive an allocation of allowable greater or less than the "acceptable tolerance" which the Commission fixes as extending from 70% to 130% of the allowable which Column D of Exhibit A shows the well owner to be entitled to receive. A formula which otherwise violates the mandate of the statute and denies to so many owners the opportunity which the statute guarantees to them, is valid only if it is "impracticable" to afford this opportunity to them.

It has been pointed out heretofore that it is petitioners' position that the figures in Column D and Column J do not meet the requirements of the statute because effect has not been given in them to only that portion of the tract reserves which can be produced without waste. For purposes of the analysis here being made, however, we are accepting the Commission's conclusion that the figures in Column C and D constitute a correct measure of the correlative rights of each well owner, as well as other conclusions in the order.

The Commission asserts that by Order R-2259-B it has afforded the opportunity guaranteed by the statute to all of the operators in the pool "so far as it is practicable to do so." Yet, Exhibit A itself demonstrates that upwards of one-half of the wells in the pool are denied their statutory opportunity. Column J of Exhibit A contains example after example of wells which, under the 60-40 formula, will receive less than half of the allowable to which they are entitled under the statutory definition of correlative rights, and other wells which will receive up to six (6), seven (7), and even eight (8) times the amount of allowable which they would be entitled to receive if the statutory mandate had been carried out as to them.

It is respectfully submitted that when an order itself affirmatively discloses that the owners of nearly one-half of the wells affected by it will be denied the rights given them by mandate of the statute, a very serious question arises as to the validity of the order, in spite of the usual presumptions which support it. When such a situation is considered in the

light of the other infirmities of the order discussed in this brief, the unreasonableness and unlawfulness of the order become apparent.

IV. THE ORDER IS UNREASONABLE AND UNLAWFUL BECAUSE THE COMMISSION'S FINDINGS AND ORDER ARE NOT BASED ON OR SUPPORTED BY SUBSTANTIAL EVIDENCE.

Respondents in this review proceeding contend for the validity of Order R-2259-B. That order changed the 25-75 formula which had been the basis for allocation of allowable for 32 months to a 60-40 formula. In order to accomplish a valid change in the existing formula the Commission was required to make findings as to the individual tract reserves throughout the Basin Dakota Gas Pool. Continental Oil Company v. Oil Conservation Commission, supra, (sometimes hereinafter referred to as the Jalmat Case). The findings so made must be supported by substantial evidence or the order is invalid. Jalmat Case, supra, Ferguson-Steere Motor Co., v. State Corp. Commission, 63 N.M. 137, 314 P.2d 894 (1957); Chiordi v. Jernigan, 46 N.M. 396, 129 P.2d 640 (1942); 2 Am Jur 2d, Administrative Law, Sec. 691.

None of the petitioners nor any other opponent of the proposed 60-40 formula offered any evidence as to the individual tract reserves in the Basin Dakota Gas Pool. The Commission offered no reserve testimony. Of all the parties, only Consolidated offered evidence as to such reserves. Does the evidence introduced by Consolidated meet the requirements for substantial evidence and so furnish support for the Commission's findings? When a finding of support by "substantial evidence", is required such support

must be found in evidence which is competent and admissible as tested by the usual rules for producing evidence in a legal proceeding. 2 Am. Jur. 2d, Administrative Law, Sec. 691, pg. 577; Chiordi v. Jernigan, supra. The evidence offered by Consolidated cannot meet these requirements for the reasons hereinafter discussed.

A. The Findings as to the initial recoverable reserves under each tract are based on out-of-date data which was designed to determine the recoverable reserves in the pool as a whole and not the recoverable gas in place under the individual tracts in the pool, Such data was erroneously received in evidence over the timely objection of the petitioner, El Paso.

The Commission recognized the necessity, as stated in the Jalmat Case, of determining initial recoverable gas reserves underlying each non-marginal tract before changing the existing proration order. Finding No. 6 is its sole attempt to meet that requirement. It found that such reserves for each non-marginal tract were those "as shown in Column C, Tract Reserves, of Exhibit A attached hereto and made a part hereof." What was the source of these figures? What was the substantial evidence on which the finding was based? The figures contained in Column C were derived entirely from Consolidated's Exhibits 2 and 4 presented at the Rehearing. No other party nor the Commission offered evidence as to individual tract reserves. A comparison of the figures in Column C with those of Consolidated's Exhibits 2 and 4 will show them to be identical as to those tracts appearing in Column C and Consolidated's exhibits.

What was the basis of the initial tract reserves so submitted by Consolidated? How were they determined? Were they based upon reserve studies made by Consolidated? They were not. Or based upon reserve

studies made by the Commission? No. The tract reserves for 460 wells offered by Consolidated were taken from a study made by El Paso Natural Gas Company as to these 460 wells in which initial recoverable reserves were estimated by using average factors for each township. (Rehearing Tr. 15, Tr. 479, 480) All of Consolidated's nine exhibits were based on this data obtained from El Paso's studies. El Paso made timely objections to the admission of Consolidated's Exhibits 3 through 7 (Rehearing Tr. 30), Exhibit 8 (Rehearing Tr. 44) and Exhibit 9 (Rehearing Tr. 200), on the grounds that they were hearsay, inaccurate, that no proper foundation was laid, and that the data on which they were based was out of date and had been revised. These objections were overruled by the Commission. (Rehearing Tr. 33, 44, 201)

El Paso preserved its objection, will renew it before the Court, and here maintains that these Exhibits are not properly a part of the record. However, for the purpose of this argument, even if the Exhibits were properly admitted in evidence, they do not constitute legal, competent and substantial evidence of individual tract reserves. The estimates made by El Paso in its study covering the 460 wells had been superseded and replaced before the estimate was offered in evidence by Consolidated. This occurred as new information in conflict with former assumptions became available (Rehearing Tr. 136). These studies were designed for and were useable only for determination of over-all pool reserves, not for reserves underlying individual tracts (Rehearing Tr. 145).

As to the 239 recently completed wells, Consolidated did not have El Paso's studies, and offered no evidence reflecting the information provided by their completion. It merely guessed as to the net pay as well as the reservoir factors. This guess was made by extending contour lines on a map and assuming that reserves followed the contours as drawn. This is known as "extrapolation."

Perhaps a brief summary of the testimony concerning El Paso's studies will be helpful to the court. The Dakota Formation in the Basin Dakota Gas Pool is a sand of a variable nature with both vertical and lateral changes throughout (Tr. 309, 620). The variations in rock characteristics across the field show that all tracts, although having about the same surface acreage, do not necessarily have the same quality of rock below or the same amount of recoverable gas in place (Tr. 404). Under these circumstances, the determination of individual tract recoverable reserves by averaging recoverable reserve data on a township basis, will not accurately reflect the actual recoverable reserves as to sepcific tracts. (Rehearing Tr. 143).

Using the information currently available, El Paso, as a part of a continuing study of Dakota reserves, averages the factors for calculating reserves for each township in the Basin Dakota Pool. Individual tract reserves are then calculated using these averages (Tr. 480). This is done only for the purpose of estimating the over-all dedicated reserves of the pool and it is adequate for that purpose (Rehearing Tr. 145).

Such an estimation as to the total reserves of the pool may vary

between 1.9 and 2.25 trillion cubic feet and still be considered reasonable (Tr. 497, Rehearing Tr. 20). The wider the area the greater the margin allowed for error. To estimate total pool reserves, information from every well in the pool is not required. For example, 68 core analyses from various Dakota wells scattered over the San Juan Basin Area, with log and deliverability information are considered sufficient to determine the net effective pay sand on each of 457 wells when calculating the total pool reserves (Tr. 479).

We wish to point out to the Court that in determining the reserves underlying the entire pool, it is immaterial if the actual recoverable reserves underlying a particular tract in the township are above the average established for that township because this discrepancy will probably be offset by a tract in the same township having recoverable reserves below the average. One tract offsets the other and this method gives a reasonably accurate estimate for the entire pool.

However, in computing individual tract reserves upon which allowables will be based, the statement applicable to computing total pool reserves no longer hold true. It is not sufficient to average recoverable reserve factors by township and apply this average to an individual tract because individual tracts vary greatly. Nor is it competent to extrapolate and arbitrarily assign recoverable reserve figures for tracts on which no computations of average factors or determinations of net pay from examinations of well logs have been made. The distinction lies in the difference of purpose. When the purpose is to compute individual well allowables,

the variation from tract to tract becomes highly significant. Factors above and below the average cannot be offset on a township basis without doing violence to property rights of individual tract owners. It thus becomes apparent that when individual tract allowables are determined on the basis of individual tract reserves calculated by utilizing average recoverable reserve factors by township, or by the method of extrapolating from supposedly known to unknown quantities, correlative rights are violated. This applies especially in the Basin Dakota Gas Pool where there is so much variance in the reservoir characteristics and individual well recoverable reserves, even on adjacent tracts, fluctuate to a great degree.

At no time did El Paso even suggest that its studies on 460 tracts were adequate for the purpose of determining individual tract reserves. Consolidated used these studies in spite of their admitted inadequacy for the purpose for which offered. It introduced them in evidence and they are the only evidence upon which the Commission's finding No. 6 is based. It is crystal clear that such evidence is not competent evidence as to the reserves underlying the 460 tracts and even less competent for the 239 extrapolated tracts. Yet it is the evidence on which the Commission's findings are based and on which the entire order was predicated. If it did not constitute competent or admissable evidence for the purpose for which it was offered and used, it is not substantial evidence supporting the order. Clearly it was not such evidence. It provides no support for the findings of tract reserves made by the Commission. The order therefore is

invalid and void.

B. The Commission's findings supporting the 60-40 formula are based upon a comparison of initial recoverable reserves for each tract in the pool with the current deliverabilities of the wells located upon said tracts. Such a comparison is not meaningful, is illusory and discriminatory and does not constitute substantial evidence to support the Commission's findings based upon it.

The only testimony offered as to individual tract reserves, the acreage factor, and deliverability was that offered by Consolidated. Columns "A", "B" and "C" (acreage factor, deliverability, and tract reserves, respectively) of the Commission's Exhibit A of Order No. R-2259-B were taken intact from Consolidated's Exhibit 4. The figures for the reserve factors were either taken from estimates made by El Paso or were extrapolated from those estimates (Rehearing Tr. 21). These estimates were estimates of initial recoverable reserves prior to any production from the tracts (Rehearing Tr. 134). The deliverabilities under Column B of said Exhibit A are identical with the second figure for each well under the "A-D-R" Column of Consolidated's Exhibit 4 and are deliverabilities that were current as of 1962. Consolidated and the Commission then compared these initial recoverable reserves with current deliverabilities to arrive at an A/R Factor, and ultimately, the amount of allowables for individual tracts (Rehearing Tr. 134).

The Commission's Findings Nos. (10), (12) and (13), are based entirely upon this comparison. The vice in the comparison was the comparison of initial recoverable reserves to current deliverabilities.

Invidious discrimination was the inevitable result.

Treating initial recoverable reserves as if they were current recoverable reserves, as Consolidated and the Commission did in their exhibits, is comparable to placing the same value on an automobile that is eight years old and has been driven 70,000 miles as on one of the same make and model that is brand new and hasn't been driven off the dealer's floor. No one in the automobile business would do that, just as no actuary, in preparing an annuity table, would give the same life expectancy for a twenty-year old as for a new born baby. The erroneous comparison by Consolidated and the Commission resulted in findings and allowable allocations which were clearly discriminatory. Such a comparison does not constitute substantial evidence to support the findings which the Commission attempted to base upon it.

The record shows that old wells have less deliverability than new wells. Old wells also have less reserves because they have produced a portion of their initial recoverable reserves. To base an order affecting correlative rights on a ratio established upon the comparison of current deliverabilities with initial recoverable reserves is arbitrary, unreasonable and unlawful. The discrimination which results from such a comparison was called to the attention of the Commission (Tr. 135, 205, 206). Its inevitable result is abuse of correlative rights and invalidity of the order based upon it.

C. There is not substantial evidence in the record to support a finding by the Commission that waste will be prevented by the use of the 60-40 formula.

Finding No. (14) of the order is as follows:

> "That, based upon the December 1962 pool allowable, a comparison of the number of nonmarginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula, as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 per cent acreage plus 40 per cent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined."

In the testimony before the Commission at the Hearing and Rehearing there was only one reference to waste. It occurred when the witness, Mr. Trueblood, was asked whether or not the nondevelopment of the Basin Dakota Pool would result in waste. This question was objected to because nondevelopment had not been shown and the counsel for Consolidated stated he would come back to the point later (Tr. 21, 22). He never did. No witness offered any proof or even stated an opinion that waste would be prevented under the 60-40 formula.

Both Petitioners and Respondents agreed that the 60-40 formula would not protect correlative rights (Tr. 27, 177, 211, 284, 412, 525, 557, 623, Rehearing Tr. 64, 171), but the record is completely devoid of any evidence of any kind that the 60-40 formula would prevent waste in any manner.

The finding that waste will be prevented by the promulgation of a 60-40 formula is a finding of fact and must be based upon substantial evidence supporting it. Without such evidence the order is void and the

Commission has no power to act. Yet there is no evidence as to waste or its prevention in the record. Evidence as to protection of correlative rights is not the equivalent of evidence as to prevention of waste, and will not supply the substantial evidence which is missing as to the prevention of waste by the 60-40 formula. The relationship between the Commission's paramount duty to prevent waste and its subordinate duty to protect correlative rights has been discussed under Points I & II and will not be repeated here. For the reasons there pointed out the two duties cannot be equated and neither can evidence as to protection of correlative rights be considered as ipso facto supporting findings as to waste prevention.

Findings that waste was occurring under the 25-75 formula and that it would be prevented under the 60-40 formula were indispensable to the validity of the order. Substantial evidence to support such findings also was indispensable to the validity of the order. Whether or not the Court agrees with the position of Petitioners that no such findings were made, in the complete absence of any evidence in the record as to waste or its prevention, the question of findings becomes moot and the order must fall for lack of substantial evidence to support findings on the subject.

D. There is not substantial evidence in the record that the 60-40 formula will, insofar as it is practicable to do so, afford to the owners of each tract in the pool the opportunity to produce his just and equitable share of the gas in the pool.

E. There is not substantial evidence in the record to support the Commission's finding that the 60-40

formula will more adequately protect correlative rights, and insofar as practicable prevent drainage between the producing tracts, which is not equalized by counter-drainage.

Finding No. (15) and (16) of the Commission are as follows:

> (15) "That numerous wells in the Basin Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 per cent acreage plus 40 per cent acreage times deliverability will, insofar as is practicable prevent drainage between producing tracts which is not equalized by counterdrainage."

> (16) "That an allocation formula of 60 per cent acreage plus 40 per cent acreage times deliverability will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy."

None of the witnesses, whether for Respondents or Petitioners, testified that the 60-40 formula would protect correlative rights, even insofar as it is practicable to do so.

Mr. Trueblood stated: "With this in mind, what we're asking for, mind you, is a 60-40; a 60-40 would leave something like this and still create drainage (Tr. 27). (Emphasis supplied)

Mr. Haseltine, another witness for Respondents had this to say:

"I'm certain in my own mind that to go to the 60-40 formula that's before the Commission now is just a step in the right direction. It's not far enough to be equitable, based on what I've seen in the Dakota Pool. But, how far we should go in that direction I just wouldn't try to say. Certainly farther than the 60-40" (Tr. 176-177).

Mr. Wiedekehr, the remaining witness for Respondents, was of the opinion the deliverability portion of the formula, to be fair, should be in the range of one-third, making the formula in the range of 66-34 (Tr. 211).

Later, Mr. Trueblood testified that the percentage of deliverability in the formula should be 25 per cent (Rehearing Tr. 23).

All of the witnesses for Petitioners agreed that the 60-40 formula would violate correlative rights (Tr. 284, 412, 525, 527, 623, Rehearing Tr. 64, 171).

The Commission did not find that the 60-40 formula is a "step in the right direction." It found that the 60-40 formula "will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy" and that insofar as practicable that it would prevent drainage which is not equalized by counterdrainage.

No search of the record, however diligent, can uncover any evidence substantial or otherwise, to substantiate these findings. On the contrary, all of the evidence contradicts them. Respondent's witnesses Trueblood, Haseltine and Wiedekehr did not testify that the 60-40 formula would protect correlative rights "insofar as practicable." They said it would not do so because such a formula did not go far enough; that it would have to go much farther to be fair. They didn't testify the 60-40 formula would prevent drainage between producing tracts that is not equalized by counterdrainage. They testified that drainage would continue, but to a lesser degree and this

was all of the evidence on the subject before the Commission.

Petitioners witnesses maintained thatthe 60-40 formula was inequitable and would not protect correlative rights (Tr. 525, 527, 623, Rehearing Tr. 64, 171). One witness stated, "Under this formula, the low reserve wells would deplete their reserves in about 7 years, after which time they would recover in excess of the reserves properly attributable to the tracts where they produce. In doing this correlative rights would be violated" (Rehearing Tr. 171, 178). The same witness gave the opinion that, if the 60-40 formula were adopted, there would be about350 abuses of correlative rights out of the 699 wells presented.

It is recognized that mere difference of opinion as to the relative weight of the evidence, where in conflict, is not a sufficient basis to overturn an administrative decision, event though the court might have reached a different result. But when, as in this case, there is no evidence in the record to support the basic findings necessary to protect correlative rights as required by the statute, a question of law is presented and the reviewing court should set aside the Order. Ferguson-Steere Motor Co. v. State Corp. Commission, 63 N.M. 137, 314 P.2d 895 (1957).

CONCLUSION

In conclusion, and by way of summary, Petitioners submit that Order R-2259-B is unlawful and invalid. In it the Commission wholly failed to meet the requirements laid down by the Supreme Court in the Jalmat and Sims decisions. It made no finding as to the portion of the recoverable gas in place under the individual tracts in the pool which could be produced without waste; it made no finding that waste was occurring under the 25-75 formula or that it would be prevented by the 60-40 formula.

As a result of not having found the portion of the reserves under the individual tracts which could be produced without waste, it was impossible for the Commission to make a valid finding that correlative rights would be protected under the 60-40 formula. It had not yet determined the extent of the rights of the individual owners to be protected. The standard by which they were to be measured was provided by the statute and the Supreme Court had held that this determination was mandatory. Yet the Commission failed to make it.

The invalidity of the order is further demonstrated by the Commission's findings contained in the order. Accepting the order at face value, only slightly more than half of the wells in the pool would receive an allowable falling within what the Commission considered to be acceptable tolerance (.7 to 1.3).

The Commission found that because of constant fluctuation,

it could not allocate allowable on the percentages of Column D; yet it turned right around and selected the 60-40 formula on the basis that its use more closely approximated the results of using those percentages . It thereby cemented into the proration order all of the vices on the basis of which it had eliminated Column D from consideration. If fluctuations in percentages would result in abuse of correlative rights in one case, it did so equally in the other. The Commission cannot have it both ways.

The use of acreage and deliverability in the formula in the face of finding (10), holding that there is no direct correlation of either with the statutory measure of correlative rights, is inconsistent. When the use made of these factors in the formula results in recognition, in the order itself, that almost half of the wells will not receive the allocation to which the statute entitles them, or a reasonable approximation thereof, it is apparent that the Commission has not arrived at an acceptable, or a valid, formula.

Finally, the record discloses that the Commission relied upon evidence not competent for the purpose for which offered and used. It, therefore, was erroneously admitted. On the vital issue of waste, the transcript is completely silent. The critical findings of the Commission, on which the order depends for its validity, are not supported by substantial evidence.

For each, and all, of the foregoing reasons Order R-2259-B is unreasonable and unlawful and the court should so declare.

Respectfully submitted,

ATWOOD & MALONE

By _____
Post Office Drawer 700
Roswell, New Mexico

_____

_____
EL PASO NATURAL GAS COMPANY
El Paso, Texas

_____
MARATHON OIL COMPANY
Post Office Box 120
Casper, Wyoming

_____
PAN AMERICAN PETROLEUM CORPORATION
Post Office Box 1410
Fort Worth, Texas

SETH, MONTGOMERY, FEDERICI & ANDREWS

By _____
Post Office Box 2307
Santa Fe, New Mexico

VERITY, BURR, COOLEY & JONES

By _____
Petroleum Center Building
Farmington, New Mexico

Attorneys for Petitioners

Supreme Court of New Mexico

Santa Fe, New Mexico

March 26, 1965

Keleher & McLeod
Attorneys at Law
First National Bank Building WEST
Albuquerque, New Mexico

Re: Pubco Petroleum Corporation v. Oil Conservation Commission of New Mexico - No. 7590

Gentlemen:

The Court today has denied, without written comment, Appellant's motion for rehearing in the above cause. Accordingly, the Mandate has issued, a copy of which is enclosed.

Very truly yours,

Lowell C. Green

L
enclosure

cc: Mr. J. M. Durrett
Special Assistant Attorney General
New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Kellahin & Fox
Attorneys at Law
Box 1769
Santa Fe, New Mexico

LAW OFFICES
OF
W. A. KELEHER
A. H. McLEOD
ATTORNEYS AND COUNSELORS AT LAW
FIRST NATIONAL BANK BUILDING WEST
ALBUQUERQUE, NEW MEXICO
87101

W. A. KELEHER
A. H. McLEOD
T. B. KELEHER
JOHN B. TITTMANN
RUSSELL MOORE
WILLIAM B. KELEHER
MICHAEL L. KELEHER

March 17, 1965

Mr. Lowell Green
Clerk, Supreme Court
Supreme Court Building
Santa Fe, New Mexico

Re: Pubco Petroleum Corporation
vs. Oil Conservation Commission
of New Mexico and Consolidated
Oil and Gas, Inc., a corporation

Dear Mr. Green:

Enclosed herewith is original and two copies of Petition for Rehearing in the above case together with Certificate of Service.

Very truly yours,

/s/ John B. Tittmann

JBT/vr

Enclosures

cc: Mr. J. M. Durrett, Jr.
Kellahin & Fox

LAW OFFICES
OF
W. A. KELEHER
A. H. McLEOD
ATTORNEYS AND COUNSELLORS AT LAW
FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO
87101

W. A. KELEHER
A. H. McLEOD
T. B. KELEHER
JOHN B. TITTMANN
RUSSELL MOORE
WILLIAM B. KELEHER
MICHAEL L. KELEHER

March 23, 1964

Mr. J. M. Durrett, Jr.
Attorney at Law
Oil Conservation Commission
State Capitol Building
Santa Fe, N.M.

Kellahin and Fox
Attorneys at Law
P. O. Box 1713
Santa Fe, N.M.

Re: Pubco Petroleum Corporation vs.
Oil Conservation Commission of
New Mexico et al - No. 7590

Gentlemen:

Enclosed please find copy of Appellant's Brief in Chief in the above matter, the original of which has been filed with the Clerk of the Court.

Very truly yours,

John B Tittmann

JBT:jm

Enc.

LAW OFFICES
OF
W. A. KELEHER
A. H. McLEOD
ATTORNEYS AND COUNSELORS AT LAW
FIRST NATIONAL BANK BUILDING WEST
ALBUQUERQUE, NEW MEXICO
87101

February 20, 1964

Mrs. Virginia A. Kittell
District Court Clerk
San Juan County Courthouse
Aztec, New Mexico

Re: Pubco Petroleum Corporation
v. Oil Conservation Commission,
et al., No. 11637

Dear Mrs. Kittell:

Enclosed please find copy of transcript in the above case which has been checked and approved subject to the making of the corrections noted in the letters of Messrs. Kellahin and Durrett.

There is no need to prepare a Stipulation and Order settling the Bill of Exceptions since there was no testimony in this case.

If it is your practice to docket the transcript directly, I would appreciate your doing so. If that is your practice, I enclose at this time check of W. A. Keleher in the amount of $20 payable to the order of the Clerk of the Supreme Court. If it is not your practice to docket, kindly return the three copies of the transcript direct to me with my check and I will see that filing is made by February 28.

We, of course, have guaranteed your costs and I would appreciate your inserting in the final transcript the necessary amount of the costs.

There is no need to prepare an additional copy as I will borrow one from the Supreme Court Clerk.

Thanking you for your cooperation in this matter, I am

Yours very truly,

/s/ WILLIAM B. KELEHER

WBK:cjw
Enclosures
cc: Kellahin and Fox
J. M. Durrett, Jr.
Certified - RRR

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

JASON W. KELLAHIN
ROBERT E. FOX

TELEPHONES
983-9396
982-2991

February 18, 1964

Mrs. Virginia A. Kittell
Clerk of the District Court
San Juan County Courthouse
Aztec, New Mexico

Re: Pubco Petroleum vs. Oil Conservation Commission, et al., No. 11637.

Dear Mrs. Kittell:

I am returning herewith copy of the transcript in the above case which you forwarded to me for checking. I note only the following minor errors:

Page 5 - In the caption, the order should be R-2259-B
In paragraph (2), in each instance the order numbers should be preceded by R- rather than a $ sign.

Page 7 - Middle of page, adjunct spelled adjunce.

Page 33 - At the end of paragraph 10, the order number should be R-1670-C
In paragraph 11, cubic is spelled cubit.

Page 40 - Second line, styled misspelled.

Thank you for the opportunity of looking over the transcript.

Very truly yours,

JASON W. KELLAHIN

jwk:mas
cc: J. M. Durrett, Jr.
T. P. Stockmar
William B. Keleher

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

February 18, 1964

Mrs. Virginia A. Kittell
District Court Clerk
San Juan County Courthouse
Aztec, New Mexico

Re: Pubco Petroleum Corporation vs. Oil Conservation Commission, et al., No. 11637

Dear Mrs. Kittell:

Thank you for your letter of February 14, 1964, enclosing a copy of the transcript in the above case. I am returning the transcript herewith. I have marked the following corrections in pencil and indicated the same by a check mark in the left-hand margin:

On Pages 2, 5, and 33, the letter prefix of a Commission Order should read R instead of $.

On Page 5 in Commission Finding No. (1), ov should read of.

On Page 6 in Commission Finding No. (4), seekd should read seeks. Also on Page 6, Commission Finding No. (5) has been omitted and Commission Finding No. (6) is erroneously designated No. (5), and in Commission Finding No. (8) fluctation should read fluctuation.

On Page 7 in Commission Finding No. (13), adjunce should read adjunct.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

February 18, 1964

Mrs. Virginia A. Kittell
District Court Clerk

At the top of Page 31 the designation 19__ JUN _ PM 4 5: should read 1962 JUN 27 PM 4:54.

The transcript otherwise appears satisfactory.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr
Enclosure

cc: Mr. William B. Keleher
Attorney
First National Bank Building
Albuquerque, New Mexico

Mr. Jason W. Kellahin
Kellahin & Fox
Attorneys at Law
P. O. Box 1769
Santa Fe, New Mexico

VIRGINIA A. KITTELL
CLERK

TEL. FE 4-6151

OFFICE OF DISTRICT COURT CLERK

SAN JUAN COUNTY

AZTEC, NEW MEXICO

February 14, 1964

William B. Keleher, Attorney
First National Bank Building
Albuquerque, New Mexico

Re: Pubco Petroleum
vs. Oil Conservation
Commission, et al
Cause 11637

Dear Mr. Keleher:

Please find enclosed copy of the transcript in the above entitled appeal to the Supreme Court.

I am also sending copies to Kellahan & Fox, and J. M. Durrett, Jr., I will appreciate if the copies may be checked as soon as possible and returned to this office for binding as the due date for filing is February 28th.

Thanking you kindly, I remain,

Very truly yours,
Mrs. Virginia A. Kittell
District Court Clerk

cc:Kellahan & Fox
J. M. Durrett, Jr.

87101

October 29, 1963

Mrs. Virginia A. Kittell
Clerk of the District Court
San Juan County Courthouse
Aztec, N.M.

Re: Pubco Petroleum Corporation vs.
Oil Conservation Commission of New Mexico et al
No. 11637

Dear Mrs. Kittell:

Enclosed please find notice of appeal, which please file in the above cause.

Yours very truly,

(SIGNED) WILLIAM B. KELLHER

WBK:jm

Enc.

cc: Mr. J. M. Durrett, Jr.
Attorney
Oil Conservation Commission
P. O. Box 871
Santa Fe, N.M.

Mr. Jason Kellahin
Attorney at Law
54½ East San Francisco St.
Santa Fe, N.M.

LAW OFFICES
OF
W. A. KELEHER
A. H. McLEOD
ATTORNEYS AND COUNSELLORS AT LAW
FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO
87101

W. A. KELEHER
A. H. McLEOD
T. B. KELEHER
JOHN B. TITTMANN
RUSSELL MOORE
WILLIAM B. KELEHER
MICHAEL L. KELEHER

October 29, 1963

Mr. J. M. Durrett, Jr.
Attorney
Oil Conservation Commission
P. O. Box 871
Santa Fe, N.M.

Re: Pubco Petroleum Corporation vs.
Oil Conservation Commission of New Mexico et al
No. 11637

Dear Mr. Durrett:

Enclosed please find copy of the praecipe in the above entitled matter, the original of which was filed with the Clerk of the Court.

Yours very truly,

William B. Keleher

WBK:jm

Enc.

cc: Mr. Jason Kellahin
Attorney at Law
54½ East San Francisco St.
Santa Fe, N.M.

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

JASON W. KELLAHIN
ROBERT E. FOX

TELEPHONES
983-9396
982-2991

October 14, 1963

Mr. James M. Durrett, Jr.
Oil Conservation Commission of
New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Pubco Petroleum Company
vs. Oil Conservation
Commission, et al.,
No. 11637, San Juan
County.

Dear Mr. Durrett:

Enclosed you will find the original and two copies of order pertaining to the dismissal of Pubco's Petition for Review. If this order meets with your approval, I would appreciate it if you would forward it to Mr. Keleher.

Very truly yours,

Jason W. Kellahin

JASON W. KELLAHIN

jwk:mas
enclosures

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 15, 1963

Mr. William B. Keleher
Attorney at Law
First National Bank Building (West)
Albuquerque, New Mexico

Re: Pubco Petroleum Company v.
Oil Conservation Commission
et al., San Juan County,
No. 11637

Dear Bill:

Jason Kellahin has now prepared and approved an order dismissing the above case and forwarded the same to me for approval. I have approved the order and am enclosing the original and one copy herewith.

Will you please approve the order as to form and forward the original to the Court for filing, keeping the extra copy for your files.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr
Enclosures

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

JASON W. KELLAHIN
ROBERT E. FOX

TELEPHONES
983-9396
982-2991

August 30, 1963

Honorable E. S. McCollich
District Judge
County Courthouse
Aztec, New Mexico

Re: Pubco Petroleum Corporation vs. Oil Conservation Commission, et al., No. 11637, San Juan County.

Dear Judge McCollich:

We have received a copy of a motion filed by petitioner in the above case requesting consolidation of that case with case No. 11665, El Paso Natural Gas Company, et al., vs. Oil Conservation Commission, et al.

On August 27, we forwarded for filing a motion to dismiss and for other relief in connection with cause No. 11637; and pending a hearing on that motion, we would respectfully request that there be no consolidation of the two causes until the motion has been disposed of.

Your consideration in this regard will be appreciated.

Very truly yours,

JASON W. KELLAHIN

jwk:mas
cc: Mr. W. A. Keleher & Mr. John B. Fittman
Seth, Montgomery, Federici & Andrews
Atwood & Malone
Verity, Burr, Cooley & Jones
Mr. J. M. Durrett, Jr., attorney for
Oil Conservation Commission
Mr. T. D. Stockman

LAW OFFICES
OF
W. A. KELEHER
A. H. McLEOD
ATTORNEYS AND COUNSELLORS AT LAW
FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO 87101

W. A. KELEHER
A. H. McLEOD
T. B. KELEHER
JOHN B. TITTMANN
RUSSELL MOORE
WILLIAM B. KELEHER
MICHAEL L. KELEHER

August 29, 1963

Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention: J. M. DURRETT, Jr.
Special Assistant
Attorney General

Re: Pubco Petroleum Corp. v.
O.C.C., et al, No. 11637
a n d
El Paso Natural Gas Co.,
et al v. O.C.C., et al
San Juan County No. 11685

Gentlemen:

Enclosed please find a copy of Motion to consolidate, an original which has been filed in each case.

Yours very truly,

William B. Keleher

WBK:cjw

Enclosure

KELLAHIN AND FOX
ATTORNEYS AT LAW

JASON W. KELLAHIN
ROBERT E. FOX

54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

TELEPHONES
983-9396
982-2991

August 27, 1963

Oil Conservation Commission of
New Mexico
J. M. Durrett, Jr., Attorney
P. O. Box 871
Santa Fe, New Mexico

Re: Pubco Petroleum Corp. vs. Oil Conservation Commission, et al., No. 11637, San Juan County, New Mexico.

Gentlemen:

I am enclosing herewith a motion filed on behalf of the respondent Consolidated Oil & Gas, Inc., in the above-captioned case.

Yours very truly,

Jason W. Kellahin

JASON W. KELLAHIN

jwk:mas
enclosure

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

August 26, 1963

COPY

Mrs. Virginia A. Kittel
Clerk of the District Court
County Court House
Aztec, New Mexico

Re: Pubco Petroleum Corporation v. Oil Conservation Commission of New Mexico, et al., San Juan County, No. 11637

Dear Mrs. Kittel:

Will you please file the enclosed Reply to Petition for Review in the above case.

Very truly yours,

J. M. DURRETT, Jr.
Special Assistant
Attorney General

JMD/esr
Enclosure

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

August 26, 1963

COPY

Mr. Jason W. Kellahin
Kellahin & Fox
Attorneys at Law
P. O. Box 1713
Santa Fe, New Mexico

Re: Pubco Petroleum Corporation v. Oil Conservation Commission of New Mexico, et al., San Juan County, No. 11637

Dear Mr. Kellahin:

I am enclosing herewith a Reply to Petition for Review on behalf of Respondent, Oil Conservation Commission of New Mexico.

Very truly yours,

J. M. DURRETT, Jr.
Special Assistant
Attorney General

JMD/esr
Enclosure

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

COPY

August 26, 1963

Mr. W. A. Keleher and
Mr. John B. Tittman
Attorneys at Law
First National Bank Bldg. (West)
Albuquerque, New Mexico

Re: Pubco Petroleum Corporation v. Oil Conservation Commission of New Mexico, et al., San Juan County, No. 11637

Gentlemen:

I am enclosing herewith a Reply to Petition for Review on behalf of Respondent, Oil Conservation Commission of New Mexico.

Very truly yours,

J. M. DURRETT, Jr.
Special Assistant
Attorney General

JMD/esr
Enclosure

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

COPY

August 26, 1963

Mr. Ted P. Stockmar
Holz, Roberts, Moore & Owen
Attorneys at Law
1700 Broadway
Denver 2, Colorado

Re: Pubco Petroleum Corporation v. Oil Conservation Commission of New Mexico, et al., San Juan County, No. 11637

Dear Mr. Stockmar:

I am enclosing herewith a Reply to Petition for Review on behalf of Respondent, Oil Conservation Commission of New Mexico.

Very truly yours,

J. M. DURRETT, Jr.
Special Assistant
Attorney General

JMD/esr
Enclosure

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

August 16, 1963

COPY

Mrs. Virginia A. Kittel
Clerk of the District Court
County Court House
Aztec, New Mexico

Re: Pubco Petroleum Corporation v. Oil Conservation Commission of New Mexico, et al., San Juan County, No. 11637

Dear Mrs. Kittel:

Will you please file the enclosed Entry of Appearance in the above case.

Very truly yours,

J. M. DURRETT, Jr.
Special Assistant
Attorney General

JMD/esr
Enclosure

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

JASON W. KELLAHIN
ROBERT E. FOX

TELEPHONES
983-9396
982-2991

August 19, 1963

Mrs. Virginia A. Kittell
Clerk of the District Court
San Juan County
County Courthouse
Aztec, New Mexico

COPY

Re: Pubco Petroleum Corporation vs. Oil Conservation Commission, et al., No. 11637, San Juan County.

Dear Mrs. Kittell:

Enclosed you will find entry of appearance of Kellahin & Fox in association with T. P. Stockmar of Denver, Colorado in behalf of respondent Consolidated Oil & Gas, Inc., in the above cause, for filing.

Very truly yours,

JASON W. KELLAHIN

jwk:mas
enclosure
cc with enclosure: Mr. T. P. Stockmar
Mr. W. A. Keleher &
Mr. John B. Tittmann

P. O. BOX 871
SANTA FE, NEW MEXICO

COPY

August 5, 1963

Mr. W. A. Keleher
Attorney at Law
First National Bank Building (West)
Albuquerque, New Mexico

Re: Pubco Petroleum Corporation
v. Oil Conservation Commission,
et al., San Juan County, No. 11637

Dear Mr. Keleher:

As it will be necessary for me to be out of the State during the last two weeks in August in order to attend USAR active duty training at Ft. Polk, Louisiana, I will appreciate the above case being set for hearing sometime subsequent to September 1, 1963.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

MANDATE NO. 7590

THE STATE OF NEW MEXICO TO THE DISTRICT COURT sitting within and for the County of San Juan, GREETING:

WHEREAS, in a certain cause lately pending before you, numbered 11637 on your Civil Docket, wherein Pubco Petroleum Corporation was Petitioner, and Oil Conservation Commission of New Mexico, et al were Respondents, by your consideration in that behalf judgment was entered against said Petitioner; and

WHEREAS, said cause and judgment were afterwards brought into our Supreme Court for review by Petitioner by appeal, whereupon such proceedings were had that on March 1, 1965 an opinion was handed down and the judgment of said Supreme Court was entered affirming your judgment aforesaid, and remanding said cause to you;

NOW, THEREFORE, this cause is hereby remanded to you for such further proceedings therein as may be proper, if any, consistent and in conformity with said opinion and said judgment.

WITNESS, The Honorable David W. Carmody, Chief Justice of the Supreme Court of the State of New Mexico, and the seal of said Court this 26th day of March, 1965.

James E. Green

Clerk of the Supreme Court
of the State of New Mexico

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

Friday, March 26, 1965

NO. 7590

PUBCO PETROLEUM CORPORATION,

Petitioner - Appellant,

vs. San Juan County

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents - Appellees.

This matter coming on before the Court for consideration on motion of Appellant for rehearing, and the Court having considered said motion and being sufficiently advised in the premises,

IT IS ORDERED that the motion for rehearing be and the same is hereby denied, and the Clerk is directed to issue Mandate forthwith.

ATTEST: A True Copy

Clerk of the Supreme Court
of the State of New Mexico

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Appellant,

vs. No. 7590

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Appellees.

PETITION FOR REHEARING

KELEHER & McLEOD
JOHN B. TITTMANN
Albuquerque, New Mexico

Attorney for Appellant

EARL E. HARTLEY
Attorney General

J.M. DURRETT, JR.
Special Assistant Attorney General

Santa Fe, New Mexico

Attorneys for Appellee
Oil Conservation Commission
of New Mexico

KELLAHIN & FOX
Santa Fe, New Mexico

T. P. STOCKMAN
Denver, Colorado

Attorneys for Appellee
Consolidated Oil & Gas, Inc.

PETITION FOR REHEARING

Comes now appellant, Pubco,Petroleum Corporation by its attorneys and respectfully petitions the Court for rehearing in the above entitled and numbered cause, and as grounds therefore shows to the Court:

I

In the seventh paragraph of the Court's opinion the Court defines the term, "Party to such rehearing proceeding" as meaning only the party who has applied for rehearing and is dissatisfied with the results.

II

The Court's opinion quotes the applicable statute, being Sec. 65-3-22, 1953 Comp. Paragraph (b) of said Section reads, "Any party to such rehearing proceeding". Apparently this is the term the Court is construing. The effect of the Court's construction apparently is to change the meaning of the word "any" to "only".

III

In the interest of clarifying the use of the English language both for the benefit of the bar, future legislators and the public in general, it is respectfully submitted that in all good grace the Court should elaborate its opinion to indicate not only that the word "any" does not mean any one of numerous or several parties, but means "only" one. In view of the wording of the Court's opinion, it is respectfully submitted that members of the legislature should be advised by this Court what language is necessary to make the word "any" have its normal, accepted meaning in the English language as defined in Webster's New Collegiate Dictionary, 1960, which reads:

"an'y (en'i), adj. (AS. ǣnig, fr. ān one.) 1. Being one (or, pl., some) indiscriminately of whatever kind; no matter what one; as, ask any uniformed man; lest any marks show. . . ."

WHEREFORE, petitioner prays that in the interest of clarity the Court's opinion be modified to set forth the actual term or phrase that it is construing, namely, "Any party to such rehearing proceeding" instead of, "Party to such rehearing proceeding".

Respectfully submitted,

W. A. KELEHER and JOHN B. TITTMANN

By /s/ John B. Tittmann
Attorneys for Appellant
First National Bank Building, West
Albuquerque, New Mexico

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Appellant,

vs. No. 7590

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Appellees.

CERTIFICATE OF SERVICE

The undersigned attorney for appellant hereby certifies that he served a copy of appellant's petition for rehearing upon each of opposing counsel by mailing the same to them on March 17, 1965.

KELEHER & McLEOD and
JOHN B. TITTMANN

By /s/ John B. Tittmann
Attorneys for Appellant
First National Bank Bldg. West
Albuquerque, New Mexico

FILED: March 1, 1965

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner-Appellant,

vs. NO. 7 5 9 0

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents-Appellees.

APPEAL FROM THE DISTRICT COURT OF SAN JUAN COUNTY

McCULLOH, JUDGE

KELEHER & McLEOD
JOHN B. TITTMANN
Albuquerque, New Mexico

Attorneys for Appellant

EARL E. HARTLEY
Attorney General

J. M. DURRETT, JR.
Special Assistant Attorney General

Santa Fe, New Mexico

Attorneys for Appellee
Oil Conservation Commission
of New Mexico

KELLAHIN & FOX
Santa Fe, New Mexico

T. P. STOCKMAR
Denver, Colorado

Attorneys for Appellee
Consolidated Oil & Gas, Inc.

O P I N I O N

COMPTON, Justice.

Pubco Petroleum Corporation appeals from an order dismissing its petition for review of an order of the Oil Conservation Commission of New Mexico.

On November 4, 1960, the Oil Conservation Commission entered an order prorating the Basin-Dakota Gas Pool in San Juan, Rio Arriba and Sandoval Counties. Production was allocated thereby on a "basis of 25 per cent acreage plus 75 per cent acreage times deliverability, * * * referred to as the 25-75 formula."

In February, 1962, Consolidated Oil and Gas, Inc., filed an application with the Commission to change the then existing formula which application was denied June 7, 1962. By timely action Consolidated applied for and was granted a rehearing at which additional testimony was taken and a new order was entered establishing the formula on a 40-60 per cent basis.

Pubco filed its petition in the district court for review of the Commission's order entered on rehearing, asserting its invalidity for various and sundry reasons. Motions to dismiss the petition were filed by both the Commission and Consolidated on the ground, among others, that Pubco had failed to exhaust its administrative remedies. The motions were sustained and Pubco has appealed.

Appellant contends that all required administrative remedies were exhausted when Consolidated was granted a rehearing. Appellees take an opposite view. They make the contention that appellant failed to exhaust its administrative remedies in not applying for a rehearing of the new Commission order.

These contentions require a construction of § 65-3-22, 1953 Comp., the pertinent part of which reads:

> "(a) Within twenty [20] days after entry of any order or decision of the commission, any person affected thereby may file with the commission an

application for rehearing in respect of any matter determined by such order or decision, setting forth the respect in which such order or decision is believed to be erroneous. The commission shall grant or refuse any such application in whole or in part within ten [10] days after the same is filed and failure to act thereon within such period shall be deemed a refusal thereof and a final disposition of such application. In the event the rehearing is granted, the commission may enter such new order or decision after rehearing as may be required under the circumstances. (Emphasis ours.)

"(b) Any party to such rehearing proceeding, dissatisfied with the disposition of the application for rehearing, may appeal therefrom to the district court of the county wherein is located any property of such party affected by the decision, by filing a petition for the review of the action of the commission within twenty [20] days after the entry of the order following rehearing or after the refusal or rehearing as the case may be. Such petition shall state briefly the nature of the proceedings before the commission and shall set forth the order or decision of the commission complained of and the grounds of invalidity thereof upon which the applicant will rely; Provided, however, that the questions reviewed on appeal shall be only questions presented to the commission by the application for rehearing. * * * (Emphasis ours.)

We think appellees' position is sound. Admittedly, appellant did not apply for a rehearing after entry of the new order. Subsection (a) specifically required the filing of an application for rehearing setting forth the claimed invalidity of the order entered by the Commission. Its purpose is to afford the Commission an opportunity to reconsider and correct an erroneous decision. Nevertheless, Pubco relies strongly on subsection (b) as affording a right of review of the order by the district court. We fail to see where the subsection supports its claim. The subsection relates solely to a dissatisfied applicant and what he may do following entry of an order on rehearing or the refusal of a rehearing. The term "party to such rehearing proceeding" as used in the subsection simply means a party who has applied for a rehearing and is dissatisfied with the disposition of his application. The subsection is rather explicit; nowhere therein do we find the right of review by the court, except by a dissatisfied applicant.

Thus, we reach the conclusion that appellant has failed to exhaust its statutory administrative remedies. It follows that the trial court was without jurisdiction to entertain a review of the order. Compare Smith v. Southern Union Gas Co., 58 N.M. 197, 269 P.2d 745; Jones v. Board of School Directors of Independent School Dist. No. 22, 55 N.M. 195, 230 P.2d 321; American Refrigerator Transit Co. v. Shepard, 53 N.M. 271, 206 P.2d 551; Samuel B. Franklin & Company v. Securities and Exchange Commission, 290 F.2d 719, 368 U.S. 889, 82 S.Ct. 142, 7 L.Ed 2d 88.

Other questions are posed on appeal but the conclusion reached obviates our discussion and disposition of them.

The order should be affirmed, and IT IS SO ORDERED.

s/ J. C. Compton
Justice

WE CONCUR:

s/ David W. Carmody C. J.

s/ M. E. Noble J.

PUBCO V. OCC - SUPREME COURT, NO. 7590
ORAL ARGUMENT BY J. M. DURRETT

As Mr. Kellahin has pointed out, it is our position that the appellant's right to judicial review was limited by the doctrine of exhaustion of administrative remedies and that the District Court correctly applied the doctrine in dismissing the appellant's petition for review.

It is also our position that the District Court did not commit error in dismissing the petition for review in view of the doctrine of separation of powers expressed in Art. III, Section 1 of the Constitution of New Mexico.

Appellees respectfully submit that the jurisdiction of the District Court was limited due to ~~the~~ this constitutional ~~division of powers expressed in Art. III, Section 1 of the Constitution of New Mexico~~ provision and the legislative nature and function of the Oil Conservation Commission.

In Continental Oil Company v. Oil Conservation Commission, 70 N.M. 310, this Court held that the function of the Commission is administrative and not quasi-judicial. As an administrative agency, the Commission acts as a branch of the legislature. Its only power is that power delegated to it by the legislature. ~~Its functions are, of necessity, legislative functions,~~ and the right to judicial review of a Commission order is a limited right granted by the legislature. In the absence of an express statutory provision granting the right to judicial review, the only jurisdiction the Court would have to review an order issued by the Oil Conservation Commission would be that jurisdiction that the Court has to review an act of the legislature. In connection with this point, I would like to call the

Court's attention to an article prepared by Mr. R. M. Williams, Assistant General Attorney for Phillips Petroleum Co., concerning the Nature and Effect of Conservation Orders, published in the Eighth Annual Rocky Mountain Mineral Law Institute publication on Oil & Gas. At page 437, Mr. Williams makes this comment:

> "As in the case of all administrative law and regardless of what may appear to be characteristics similar to judicial orders, conservation orders, are, of necessity, legislative and must be so treated. Such orders are authorized by the legislature to carry out and give effect to a legislative function under standards prescribed by the legislature; they constitute a delegation of legislative authority. If other than legislative, the orders would violate the state constitutional provisions requiring a separation of powers as between the legislative, judicial and executive branches of government."

We submit that in considering an appeal from an order issued by the Oil Conservation Commission the Court is not a Court of general jurisdiction but is a Court of limited jurisdiction, and can exercise only the jurisdiction granted to it by the legislature. This Court has previously recognized this limitation in cases concerning appeals from actions by administrative agencies. In Transcontinental Bus System v. State Corporation Commission, 56 N.M. 158, at page 167, this Court stated:

> "The State Corporation Commission in these matters is an administrative board exercising a legislative function which courts are without power to control and review except by express constitutional or statutory authority. There are a few states having statutes that grant general appellate jurisdiction to the courts concerning orders of administrative boards such as the State Corporation Commission and in such states, construing such statutes giving general appellate jurisdiction, the courts have held that they have the same jurisdiction to hear and determine the appeals as in other civil cases. However, we find that in those states having statutes similar to ours where a court

> is allowed to review the action of the Commission, the court is limited in the exercise of its powers to those expressly delegated by the statute."

The Court's limited jurisdiction was also recognized in the Continental case where this Court held that portions of Section 65-3-22(b) were unconstitutional contravening Art. III, Section 1 of the Constitution.

It is our contention that jurisdiction is not conferred upon the Court to review an order of the Oil Conservation Commission until the parties seeking review of the order have complied with the procedural requirements of the statute authorizing judicial review. The Court's jurisdiction to review a Commission order has been limited by the legislature in establishing a specific procedure to obtain judicial review of a Commission order. Section 65-3-22(a) provides that "within 20 days after entry of <u>any order</u> or decision of the Commission, any person affected thereby may file with the Commission an application for rehearing." This section also requires the Commission to grant or refuse the application within 10 days and provides that failure to act within 10 days shall be deemed a refusal and final disposition of the application. Section 65-3-22(b) provides that any party to <u>such rehearing</u> proceeding may appeal. We submit that in view of this language no jurisdiction has been conferred upon the Court by the legislature until the party seeking judicial review has filed an application for rehearing with the Commission and there has been final disposition of the application. This conclusion is also supported by the restrictive provision in Section 65-3-22(b) that the questions reviewed on appeal shall be only questions presented to the Commission by the application for rehearing. It is our contention that this restrictive provision limits the jurisdiction

of the Court and that no jurisdiction is conferred upon the Court until the party seeking judicial review has filed an application for rehearing with the Commission setting forth the respect in which such order or decision is believed to be erroneous. We submit that the statute clearly expresses a legislative intent that the Court will not have jurisdiction until the questions to be presented to the Court have first been presented to the Commission by the party seeking judicial review and the Commission has been given an opportunity to correct the alleged error.

To support this theory we would like to call the Court's attention to two cases that our research has disclosed since submission of our brief. Each of these cases involve an appeal from an order issued by an administrative agency under a statute substantially similar to the New Mexico statute and in each of these cases the appellant had requested a rehearing before the regulatory agency, a rehearing had been granted and the administrative agency had issued an order following rehearing from which an appeal was taken without filing an additional request for rehearing. In State ex rel Southwest Water Co. v. Public Service Commission, 173 S.W.2d 113 (1943), the Kansas City Court of Appeals, Missouri, stated:

> "The last order, in fact, differed from the first in that the cause was dismissed and no reference was made thereon to 'without prejudice,' as was done in the first order; but if the language of the last order had been identical with that of the first, yet it was a new order and the circuit court was without jurisdiction to review it because no motion for rehearing had been filed before the Commission."

In Alton Railroad Company v. Illinois Commerce Commission, 407 Ill. 220, 95 N.E.2d 76 (1950), the Supreme Court of Illinois made this statement:

> "The necessity of a new petition to place before the courts the issues raised by the 1947 order is further shown by the portion of Section 67 which specifically

> provides that no one can urge or rely in any appeal upon grounds not set forth in an application for rehearing. It should be noted that this sentence was inserted in the statute by the 1935 legislature, showing an express intent that matters cannot be raised on appeal which the Commission has not had an opportunity to reconsider and correct if necessary on a petition for rehearing. By the same token, the statute prevents the raising of issues on appeal to the courts which were not previously presented to the Commission."

In connection with this case it should be noted that the Illinois statute contained the following provision:

> "Only one rehearing shall be granted by the Commission; but this shall not be construed to prevent any party from filing a petition setting up a new and different state of facts after two years, and invoking the action of the Commission thereon."

The Court considered this phrase and determined that it did not refer to a rehearing prior to appeal but created a limitation upon a party from twice, or more, attempting to get an alteration of a Commission order within two years after its entry, and thereafter only on new and different facts.

As the appellant in this case did not file an application for rehearing with the Commission, the questions presented to the Court by the petition for review were not first presented to the Commission. As no jurisdiction is conferred upon the Court by the statute until these questions have first been presented to the Commission, the appeal was premature and subject to dismissal by the District Court for lack of jurisdiction.

We also submit that even if the Court should determine that the appellant is correct in the contention that the statute contemplates the filing of only one application for rehearing in a proceeding before the Commission and that this requirement was met when the application for rehearing was filed by Consolidated Oil & Gas, the District Court did not commit error in dismissing the petition for review. Since the questions raised in the appellant's petition for review

were not raised in the application for rehearing filed by Consolidated, the District Court did not have jurisdiction to consider these questions and could only dismiss the petition for review.

We therefore respectfully submit that the District Court's Order of Dismissal should be affirmed.

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner-Appellant,

-vs-

No. 7590

OIL CONSERVATION COMMISSION
OF NEW MEXICO and CONSOLIDATED
OIL & GAS, INC., a corporation,

Respondents-Appellees.

ANSWER BRIEF OF APPELLEES

OIL CONSERVATION COMMISSION OF NEW MEXICO

and

CONSOLIDATED OIL & GAS, INC.

EARL E. HARTLEY
Attorney General
J. M. DURRETT, JR.
Special Assistant Attorney
General

ATTORNEYS FOR OIL CONSERATION
COMMISSION OF NEW MEXICO

KELLAHIN & FOX
Santa Fe, New Mexico

T. P. STOCKMAR
Denver, Colorado

ATTORNEYS FOR CONSOLIDATED
OIL & GAS, INC.

INDEX

CASES CITED

OTHER AUTHORITIES

NEW MEXICO STATUTES

NEW MEXICO SESSION LAWS

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner-Appellant,

-vs- No. 7590

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents-Appellees.

OBJECTION TO APPELLANT'S STATEMENT OF THE CASE

Appellees accept appellant's Statement of the Case except that appellee Consolidated Oil & Gas, Inc., objects to appellant's statement that Oil Conservation Commission Order No. R-2259-B was dated July 3, 1963, but entered on July 9, 1963. It is the position of appellee Consolidated that the only information contained in the record in this case is that the order was dated, and presumably entered July 3, 1963 (Tr.5). Only in pleadings filed by appellant does the assertion that the order was entered on July 9, 1963 appear (Tr. 2, 25). This was denied by appellee Consolidated Oil & Gas, Inc. (Tr. 38).

OBJECTION TO APPELLANT'S STATEMENT OF THE FACTS

Appellee Consolidated Oil & Gas, Inc., accepts appellant's Statement of the Facts except that it is stated that "Within 20 days of the entry of that order, appellant filed in the District Court of San Juan County its Petition for Review, pursuant to Section 65-3-22, N.M.S.A. 1953 Comp." Order No. R-2259-B is dated July 3, 1953 (Tr.3). Appellant's Petition for Review was filed in the District Court of San Juan County on July 29, 1963 (Tr.1). The issue that the action was not timely filed as provided by law was raised by appellee Consolidated Oil & Gas, Inc., in the District Court in its motion to dismiss (Tr. 38). Appellee, Oil Conservation Commission, accepts appellant's statement of the facts.

ANSWER TO APPELLANT'S POINT I

THE DISTRICT COURT LACKED JURISDICTION OVER THE SUBJECT MATTER OF APPELLANT'S PETITION FOR REVIEW AND DID NOT ERR IN DISMISSING THE SAME.

A. The District Court lacked jurisdiction over the subject matter of appellant's petition for review for the reason that appellant had not exhausted its administrative remedies before the Commission.

B. The appellant's petition for review was subject to dismissal by the District Court as appellant had failed to state a claim upon which relief could be granted.

C. The District Court lacked jurisdiction over the subject matter of appellant's petition for review as appellant had failed to join indispensable parties.

C. The District Court lacked jurisdiction over the subject matter of appellant's petition for review for the reason that the action was not timely filed as provided by law.

ARGUMENT AND AUTHORITIES

POINT I (PART A AND B)

THE DISTRICT COURT LACKED JURISDICTION OVER THE SUBJECT MATTER OF APPELLANT'S PETITION FOR REVIEW AND DID NOT ERR IN DISMISSING THE SAME.

A. The District Court lacked jurisdiction over the subject matter of appellant's petition for review for the reason that appellant had not exhausted its administrative remedies before the Commission.

B. The appellant's petition for review was subject to dismissal by the District Court as appellant had failed to state a claim upon which relief could be granted.

Appellees submit that the District Court did not commit error in dismissing the Petition for review as the appellant failed to exhaust the administrative remedies provided by Section 65-3-22, NMSA, 1953 Comp., and the Court did not have jurisdiction over the subject matter of the action.

Appellees agree with appellant's statement that the right to obtain judicial review of an Oil Conservation Commission order is created by Section 65-3-22, NMSA, 1953 Comp., the pertinent part of which reads as follows:

> "65-3-22. Rehearings--Appeals.--(a) Within twenty /20/ days after entry of any order or decision of the commission, any person affected thereby may file with the commission an application for rehearing in respect of any matter determined by such order or decision, setting forth the respect in which such order or decision is believed to be erroneous. The commission shall grant or refuse any such application in whole or in part within ten /10/ days after the same is filed and failure to act thereon within such period shall be deemed a refusal thereof and a final disposition of such application. In the event the rehearing is granted, the commission may enter such new order or decision after rehearing as may be required under the circumstances.
>
> "(b) Any party to such rehearing proceeding, dissatisfied with the disposition of the application for rehearing, may appeal therefrom to the district court of the county wherein is located any property of such party affected by the decision, by filing a petition for the review of the action of the commission within twenty /20/ days after the entry of the order following rehearing or after the

> refusal or /of?/ rehearing as the case may be. Such petition shall state briefly the nature of the proceedings before the commission and shall set forth the order or decision of the commission complained of and the grounds of invalidity thereof upon which the applicant will rely; Provided, however, that the questions reviewed on appeal shall be only questions presented to the commission by the application for rehearing. Notice of such appeal shall be served upon the adverse party or parties and the commission in the manner provided for the service of summons in civil proceedings. * * * ."

This statute specifically describes the procedure that must be followed to obtain judicial review of an order of the Oil Conservation Commission.

Appellees submit that the statute under consideration clearly expresses a legislative intent that the Commission be afforded an opportunity to reconsider its action before a right to judicial review exists. Section 65-3-22 (a), NMSA, 1953 Comp., requires that an application for rehearing set forth the respect in which the order is believed to be erroneous. It also requires the Commission to grant or refuse any such application in whole or in part within ten days after the same is filed and authorizes the Commission to enter such new order or decision after rehearing as may be required under the circumstances. This clearly expresses the legislative intent that the Commission must have an opportunity to reconsider its order before the right to judicial review exists even if the Commission only desires to reconsider the order in part.

Appellant has contended that the statute does not permit an application for rehearing of an order issued as a result of a rehearing. Appellees point out that Section 65-3-22(a), NMSA, 1953 Comp., permits the filing of an application for rehearing within twenty days after entry of <u>any order</u>. It also should be noted that the Commission must grant or refuse any such application in whole or in part within ten days after the same is filed and failure to act thereon within such

period shall be deemed a refusal thereof and a final disposition of the application. This also indicates the legislative intent that the Commission be given the opportunity to review any order before a right to judicial review exists. The legislative intent is clearly expressed in Section 65-3-22(b), NMSA, 1953 Comp., wherein the Legislature specifically provided that the questions reviewed on appeal shall be only questions presented to the Commission by the application for rehearing.

A discussion of the doctrine of exhaustion of administrative remedies is found in 2 Am. Jur. 2d, Administrative Law, Section 609, wherein the writer states as follows:

> "Whether a party, in order to exhaust his administrative remedies after the administrative agency has reached its decision, must seek a rehearing, reconsideration, or modification of the decision is affected by statutes or regulations which require such action to be taken, by statutes or judicial doctrine which preclude urging on review matters which have not been presented to the administrative agency, by statutes which dispense with the requirement and, of course, by the existence of power to reconsider or modify."

Appellees submit that Section 65-3-22, NMSA, 1953 Comp., not only requires that action be taken to exhaust the administrative remedy by filing an application for rehearing, but also precludes urging on review matters which have not been presented to the administrative agency as the statute provides that the questions reviewed on appeal shall be only questions presented to the Commission by the application for rehearing. It also should be noted that there is no statute which dispenses with the requirement of filing an application for rehearing and that Section 65-3-22(a), NMSA, 1953 Comp. specifically provides that the Commission may enter such new order or decision after rehearing as may be required under the circumstances.

The Court's attention iscalled to 2 Am. Jr. 2d, Administrative Law, Section 729, containing a discussion of the interpretation placed

upon various types of statutes which reads, in part, as follows:

> "Some statutes relating to particular agencies provide that no cause of action shall accrue in any court * * * unless such person shall have made application to the agency for a rehearing on the order or decision involved. Other statutes provide that a petition for statutory review must be filed within a specified time after an application for rehearing is denied or after rendition of decision on a rehearing, and they also are deemed to make it necessary to file a petition for rehearing and procure a ruling thereon before the matter can be reviewed in court."

Although our statutes do not specifically provide that no cause of action shall accrue in any court, appellees submit that the statute under consideration certainly provides that a petition for statutory review must be filed within a specified time (twenty days) after an application for rehearing is denied or after rendition of decision on a rehearing.

Several New Mexico decision have applied the doctrine of administrative exhaustion of administrative remedies. In Smith v. Southern Union Gas Company, 58 N.M. 197, 200, 269 P.2d 745 (1954), a proceeding to enjoin the gas company from turning off the plaintiff's gas and to recover damages for discrimination, the trial court found that it did not have jurisdiction as the plaintiff had not exhausted his administrative remedies provided by the Public Utility Act and entered a judgment of dismissal. The Supreme Court, affirmed, stating:

> "it has been the policy of this Court since the decision in First National Bank of Raton v. McBride, 1915, 20 N.M. 381, 149 P. 353, that where a remedy has been provided before an administrative commission for one claiming discrimination in the matter of taxes, he must exhaust his administrative remedies before resorting to the courts."

In Jones v. Board of School Directors of Independent School Dist. No. 22, 55 N.M. 195, 198, 230 P.2d 321 (1951), an action for a declaration of plaintiff's rights under the Teachers Tenure Law

and for damages for breach of contract, the Supreme Court affirmed the District Court order dismissing the complaint and stated:

> "It is to be observed that the order of dismissal does not state the ground upon which the court rests the order. Nevertheless, it appearing from the stipulation that the plaintiff had failed to pursue and exhaust his statutory remedies, this omission supports the order of dismissal, even if the order had been expressly placed upon another ground."

It was stipulated in the above case that the plaintiff took none of the statutory steps for the hearing provided by the Teachers Tenure Law, L. 1941, c. 202, as amended. The Tenure law provides:

> "Notice to discontinue the service of such classroom teacher * * * shall specify a place and date * * * at which time said teacher may at his or her discretion appear before the board for hearing. If the decision * * * is not satisfactory * * * he or she may appeal to the State Board of Education."

The Court made the following statement at page 198 concerning the teachers duty to exhaust the remedies provided by statute:

> "/T/he statute imposes on the teacher who so desires an obligation to call for a hearing before the local board, to be followed by an appeal to State Board of Education in the event decision of the local board is unsatisfactory, before resorting to the courts for relief."

Appellees submit the statute in this case is substantially similar to the statute in the Jones case, and the only reasonable interpretation that can be placed upon such a statute is that the administrative agency must be given an opportunity to consider the complaining party's allegations before a right to judicial review exists. In the case before the Court, the Commission was not given such an opportunity. Appellant did not file an application for rehearing.

It also has been held in cases involving the State Tax Commission that all administrative remedies must be exhausted before resorting to the courts. See Associated Petroleum Transport v. Shepard, 54 N.M. 52, 201 P.2d 772 (1949) and American Refrigerator Transit Co. v. Shepard 54 N.M. 271, 206 P.2d 551 (1949).

The appellant contends in its Brief-in Chief that the statute does not permit the filing of application for a rehearing once an order has issued as the result of a rehearing. Appellees submit that the statute not only permits the filing of such an application, but

that the same is required under the doctrine of exhaustion of administrative remedies. The doctrine does not require merely the initiation of prescribed administrative procedures, it requires the exhausting of administrative remedies by pursuing them to their appropriate conclusion and awaiting their final outcome before seeking judicial intervention. Aircraft and Diesel Equipment Corporation v. Hirsch, 331 U.S. 752, 67 S. Ct. 1493, 91 L.Ed. 1796 (1947); 2 Am. Jur. 2d, Administrative Law, Section 608. Appellees submit that the appellant not only failed to pursue its administrative remedies and wait their final outcome, but did not initiate the prescribed administrative procedures in the case before the Court as appellant failed to file an application for rehearing with the Commission setting forth the respect in which it believed the order to be erroneous.

The appellant states in its Brief-in-Chief that it would have lost its right to judicial review had it not filed its Petition for Review within twenty days following entry of the Commission's Order. Appellees submit that this contention is without merit. The statute specifically provides that any party to such rehearing proceeding may appeal to the District Court by filing apetition for the review of the action of the Commission within twenty days after the entry of the order following rehearing or after the refusal of rehearing as the case may be.

Appellant cannot escape the plain, clear, concise provision of the statute that "the questions reviewed on appeal shall be only questions presented to the Commission by the application for rehearing"

This provision of the statute is something more than a direction to the parties that they must seek rehearing before the Commission before resorting to the court. It is a limitation on the jurisdiction of the court to review the action of the Commission.

In Transcontinental Bus System vs. State Corporation Commission, 56 N.M. 158, 241 P.2d 829, this court pointed out:

> "The State Corporation Commission in these matters is an administrative board exercising a legislative function which courts are without power to control and review except by express constitutional or statutory authority. * * * However, we find that in those states having statutes similar to ours where a court is allowed to review the action of the Commission, the court is limited in the exercise of its powers to those expressly delegated in the statute."

The Oil Conservation Commission, like the State Corporation Commission in its exercise of power under the motor carrier act, is a creature of the legislature, exercising legislative functions. Continental Oil Co., vs. Oil Conservation Commission, 70 N.M. 310, 373 P.2d 809. It is submitted that district courts, under the Oil Conservation Commission act, are limited in their review to the review expressly authorized in the statute, which can only mean the court can review only matters presented in a petition for rehearing before the Commission.

Assuming that appellant in this case could have appealed for a review of matters raised in the petition for rehearing before the commission by the appellee Consolidated Oil & Gas, Inc., it did not do so. It appealled, instead, from the order entered by the commission pursuant to that rehearing, making a direct attack on the later order (Tr. 1).

The only orders that could be reviewed under the provisions of the statute are orders that have been subject of a petition for rehearing filed with the Commission. If not, the requirements of the statute that "the questions reviewed on appeal shall be only questions presented to the Commission by the application for rehearing," would be absolutely meaningless. To frame his pleadings before the district court the statute requires a petition for rehearing by the dissatisfied party. Otherwise an appellant would be limited to questions raised by another party under the circumstances

that exist in this case.

Appellant has argued that had it filed a petition for rehearing before the Commission its appeal to the court would be barred as not timely filed. It has been held that the timely filing of a petition for agency reconsideration tolls the time for appeal, and that an appeal taken within the designated time for appeal after termination of the petition for reconsideration is timely. Samuel B. Franklin & Company vs. Securities Exchange Commision 290 F2d 719, Cert. denied, 368 U. S. 889, 82 S. Ct. 142, 7 L.Ed 2d 88; 2 Am. Jur.2d, Administrative Law, Sec. 719.

As the appellant did not file an application for rehearing, the District Court could not consider the questions raised in its petition for review. The petition for review (Tr. 1) therefore necessarily failed to state a claim upon which relief could be granted. The same conclusion is inevitable if it is considered the appeal is on the basis of the application for rehearing filed by Consolidated Oil & Gas, Inc. None of the allegations contained in the Consolidated application for rehearing are contained in appellant's petition for review (Tr. 31-37).

The scope of the court's review being limited by statute, and none of the matters covered by the statute having been presented by appellant, the court could only conclude that appellant had failed to state a claim upon which relief could be granted.

POINT I (PART C)

THE DISTRICT COURT LACKED JURISDICTION OVER THE SUBJECT MATTER OF APPELLANT'S PETITION FOR REVIEW AND DID NOT ERR IN DISMISSING THE SAME.

C. The District Court lacked jurisdiction over the subject matter of appellant's petition for review as appellant had failed to join indispensable parties.

Appellees submit that the District Court did not commit error in dismissing the Petition for Review as the appellant had failed to join indispensable parties and the Court did not have jurisdiction over the subject matter of the action. Only the Commission and Consolidated Oil & Gas, Inc., were joined as defendants (Tr. 1, 25, 26). In American Trust & Savings Bank of Albuquerque v. Scobee 29 N.M. 436, 224 P. 788 (1924), the Court adopted the following test for indispensable party:

> "There is a general rule that all persons whose interests will necessarily be affected by any decree in a given case, are necessary and indispensable parties, and the Court will not proceed to a decree without them."

This rule has been specifically affirmed in more recent cases. See Burquete v. Del Curto, 49 N.M. 292, 163 P.2d 257 (1945) and State Game Commission v. Tackett, 71 N.M. 400, 379 P2d 54 (1962). In both of these recent cases, the above-quoted language of the Scobee case has been specifically adopted.

As the Commission order complained of by appellant concerns a formula that allocates allowable gas production among all the operators in the Basin-Dakota Gas Pool, it is obvious that a change in the formula will necessarily directly affect the amount of gas every operator in the pool is permitted to produce. An examination of Exhibit A of Order No. R-2259-B attached to the Petition for Review established that there were numerous parties whose interests would necessarily be affected by a decree in the case (Tr. 10-24). Exhibit A of Order No. R-2259-B also indicates the extent that the

formula affects these parties. Although the appellant may argue the hardship of joining all of the operators in the Basin-Dakota Gas Pool, it has been held that all indispensible parties must be joined even if such parties cannot for any reason be brought before the Court. Burquete v. Del Curto, supra; State v. W. S. Ranch Company, 69 N.M. 169, 364 P.2d 1036 (1961).

POINT I (PART D)

THE DISTRICT COURT LACKED JURISDICTION OVER THE SUBJECT MATTER OF APPELLANT'S PETITION FOR REVIEW AND DID NOT ERR IN DISMISSING THE SAME.

D. The District Court was without jurisdiction of the parties to and the subject matter of appellant's Petition for Review for the reason that the action was not timely filed, as provided by law.

Appellant's right to review of the Commission's orders is derived from the provisions of Section 65-3-22(b), where it is provided:

> "(b) Any party to such rehearing proceeding, dissatisfied with the disposition of the application for rehearing, may appeal therefrom to the district court of the county wherein is located any property of such party affected by the decision, by filing a petition for the review of the action of the Commission within twenty /20/ days after the entry of the order following rehearing or after the refusal or /of?/ rehearing as the case may be. * * * ."

The appellee Consolidated Oil and Gas, Inc., takes the position that there was no compliance with this section of the statute, but is not joined by the appellee Oil Conservation Commission of New Mexico in this position.

Appellant makes the assertion that the order appealed from, Order No. R-2259-B, though dated July 3, 1963, was entered on July 9, 1963. In doing so, appellant is making a legal conclusion based upon facts not before the court.

Insofar as the record in this proceeding is concerned, the order appealed from is dated July 3, 1963, (Tr. 5). Appellant's Petition for Review was filed in the District Court of San Juan County on July 29, 1963 (Tr. 1). The issue that the action was not timely filed in the District Court was raised by the appellee Consolidated Oil & Gas, Inc., in its motion to dismiss (Tr. 38). This defense was at no time

waived by the appellee Consolidated Oil & Gas, Inc., although it was not argued by the appellee Oil Conservation Commission. The appellee Oil Conservation Commission in fact appears to have admitted that the cause was timely filed in the District Court (Tr.29). Such an admission cannot, however, serve as a waiver of the defense by Consolidated in this proceeding.

The record in this proceeding, other than the bare assertions made in appellant's pleadings (Tr. 2, 25,), is devoid of anything to support the contention that the order of the Commission, dated on its face as July 3, 1963, was entered on July 9, 1963.

Under these circumstances it can only be concluded that the date of the order governs, and that the petition for review by appellants was not filed in the District Court within twenty days after entry of the order.

In the absence of a statute authorizing it, there can be no appeal from the decision of a special tribunal. Taggader v. Montoya, 54 N.M. 18, 212 P.2d 1049. As appellant has stated in its brief, it hardly requires citation of authority for the proposition that filing within the time specified in the statute is jurisdictional. Miller vs. Doe, 70 N.M. 432, 374 P.2d 305. The timely filing of the appeal is essential to the court's jurisdiction. In re Blatt, 41 N.M. 269; 67P.2d 293.

C O N C L U S I O N

It is respectfully submitted that the appellant did not comply with the provisions of Sec. 65-3-22, NMSA, 1953 Compilation, in that it did not apply to the Oil Conservation Commission of New Mexico for a rehearing, and that the District Court was without jurisdiction of the case; that the appellant's petition for review did not state a claim upon which relief could be granted; that appellant failed to name indispensible parties to the action before the District Court; and that the proceeding was not timely filed, as provided by Sec. 65-3-22, NMSA, 1953 Compilation. The District Court therefore did not err in dismissing appellant's petition for review.

Respectfully submitted,

EARL E. HARTLEY
Attorney General

By _____
J. M. Durrett
Special Assistant Attorney General

ATTORNEYS FOR OIL CONSERVATION COMMISSION

KELLAHIN & FOX
Santa Fe, New Mexico

By _____
Jason W. Kellahin

T. P. STOCKMAR
Denver, Colorado

ATTORNEYS FOR CONSOLIDATED OIL & GAS, INC.

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

Cases to be Submitted

Monday
February 1, 1965
9:00 A. M.

No. 7552

Quirina DesGeorges, et al, Appellants	Stephen A. Mitchell Thomas J. Russell of the Illinois Bar
vs.	
Richard Grainger, et al, Appellees	Matias A. Zamora Ernest E. Valdez John E. Conway for Appellees Graingers R. Howard Brandenburg for Appellee Frances Martin

No. 7576

Kenneth A. Heron, Appellant	Kenneth Heron, pro se
vs:	
Truman Smith, Appellee	Standley, Kegel, Campos & Cook

No. 7573

J. H. Thompson, Appellant and Cross-Appellee	Shipley, Seller & Whorton W. C. Whatley R. E. Riordan
vs.	
H. B. Zachry Co., a corporation, Appellee & Cross-Appellant	Keleher & McLeod T. B. Keleher Russell Moore

No. 7590

Pubco Petroleum Corporation, Appellant	Keleher & McLeod John B. Tittman
vs.	
Oil Conservation Commission of New Mexico, et al, Appellees	Earl E. Hartley, Attorney General J. M. Durrett, Jr., Special Asst. Atty. Gen. for Oil Conservation Commission of New Mexico Kellahin & Fox T. P. Stockmar, Denver, Colorado, for Consolidated Oil & Gas, Inc.

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

Cases to be Submitted

Tuesday
February 2, 1965
9:00 A. M.

(No. 7584 CONSOLIDATED	
(Martha V. Hambaugh, Appellant	Dale B. Dilts Glenn O. Young Sapulpa, Oklahoma
(vs.	
(James M. Peoples, et al, Appellees	Rodey, Dickason, Sloan, Akin & Robb for Appellees Stephen D. Hambaugh, John W. Myers, Alan Jacobson, Ruth Lewis, Sandia Ranch Sanitorium, Inc.
(No. 7585	
(Mildred Lillybell Peoples, Appellant	Alexander F. Sceresse
(vs.	William J. Bingham for Appellee Margeurite K. Armijo
(James M. Peoples, et al, Appellees	Stanley P. Zuris for Appellee Edward G. Parham
	Irving E. Moore for Appellee David F. Cargo
	Edward J. Apodaca for Appellees H. Richard Blackhurst, Mary Ware, Windrey Ware
	Smith, Kiker and Ransom for Appellee Eva C. Thomas
	Sutin and Jones for Appellee Richard C. Civerolo
No. 7583	
Major Oil Development Co., Appellant	Dale B. Dilts
vs.	
First National Bank of Albuquerque, Appellee	Rodey, Dickason, Sloan, Akin & Robb John P. Eastham Duane C. Gilkey
No. 7589 - BRIEFS	
Daniel John Mayer, et al, Appellees	Dale B. Dilts
vs.	
Dept. of Public Welfare of the State of New Mexico, Appellant	Earl E. Hartley, Attorney General Mrs. Julia C. Southerland, Special Asst. Atty. Gen.
No. 7592 - BRIEFS	
Charles Ray McAfoos, Appellant	Dan B. Buzzard
vs.	
Borden Implement Co., Employer, and The Travelers Insurance Companies, Insurer - Appellees	Smith, Smith and Tharp

Supreme Court of the State of New Mexico

Santa Fe, New Mexico Jan. 5, 1965, 19

Dear Sir:

Cause No. 7590

Pubco Petroleum Corp v. O.C.C. of N. M.

has been placed on the calendar for submission to the Court upon

oral argument ~~xxxxxxxx~~ on February 1, 1965, 19, at 9 o'clock a m.

Please return to me promptly copy of transcript of the record in this case, if you have one.

Lucille Green

Clerk of Supreme Court

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner and Appellant,

vs. No. 7590

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents and Appellees.

CERTIFICATE OF SERVICE

JOHN B. TITTMANN, one of the attorneys for Petitioner and Appellant, does hereby certify that he caused copies of Appellant's Brief in Chief to be mailed to J. M. Durrett, Jr., Attorney at Law, Oil Conservation Commission, State Capitol Building, Santa Fe, New Mexico, and to Kellahin and Fox, Attorneys at Law, P. O. Box 1713, Santa Fe, New Mexico, with sufficient postage attached, on the 23 day of March, 1964.

John B. Tittmann

JOHN B. TITTMANN
One of the Attorneys for Petitioner and Appellant
First National Bank Bldg.-West
Albuquerque, New Mexico

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner and Appellant,

vs. No. 7590

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents and Appellees.

APPELLANT'S BRIEF IN CHIEF

W. A. KELLAHER and
JOHN B. TITTMANN

Attorneys for Petitioner
and Appellant
First National Bank Bldg.-West
Albuquerque, New Mexico

I N D E X

PRIMARY AUTHORITIES

CASES:

STATUTES:

SECONDARY AUTHORITY

STATEMENT OF THE CASE

Appellee, CONSOLIDATED OIL & GAS, INC., applied to the OIL CONSERVATION COMMISSION OF NEW MEXICO for a change in the proration formula of gas in the Basin Dakota Gas Pool in San Juan and Rio Arriba Counties. The case was docketed by the Commission as No. 2504 (TR-1).

The case was heard by the Commission on April 18 through 21, 1962. On June 7, 1962 the Commission entered its order No. R-2259 denying Consolidated's application for modification of the proration formula (TR-1).

Thereafter Consolidated filed an application for rehearing, which was heard by the Commission on February 14, 1963. After the rehearing, the Commission issued its order No. R-2259-B dated July 3, 1963 but entered on July 9, 1963, which order granted Consolidated's application and changed the proration formula for the Basin Dakota Gas Pool (TR-2).

On July 29, 1963 Appellant, PUBCO PETROLEUM CORPORATION, filed in the District Court of San Juan County its Petition For Review of Commission order No. R-2259-B, which was docketed in said court as No. 11637 (TR-1). Notice of Appeal was duly given (TR-25,26) and Appellees, OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL & GAS, INC., both filed entries of appearance (TR-27,28).

Appellee Commission filed a reply to the Petition For Review raising affirmative defenses (TR-29), and Appellee Consolidated filed a Motion to Dismiss said Petition For Review (TR-38).

The District Court, after argument on the Commission's affirmative defenses and Consolidated's Motion to Dismiss, entered its order on October 28, 1963 dismissing Appellant's Petition For Review (TR-42).

Notice of Appeal was filed October 31, 1963, together with Praecipe for the entire record (TR-43, 45). The time within which to file the transcript was extended to February 28, 1964, and the transcript was duly filed on said date (TR-46).

STATEMENT OF FACTS

All of the facts necessary for the determination of this appeal are contained in the foregoing Statement of the Case. In brief summary, they are that Consolidated filed an application with the Commission for modification of proration formula for the Basin Dakota Gas Pool in San Juan and Rio Arriba Counties, to which case Appellant was a party. The case was heard by the Commission, and it entered its order denying Consolidated's application. Consolidated filed with the Commission an application for rehearing, which was granted. Upon rehearing the Commission entered its order granting Consolidated's application for a change in proration formula and changing said formula. Within 20 days of the entry of that order, Appellant filed in the District Court of San Juan County its Petition for Review, pursuant to Section 65-3-22 N.M.S.A. 1953 Comp. The Petition

For Review was dismissed by the District Court of San Juan County without indicating in the court's order any reason for the dismissal.

POINT RELIED UPON FOR REVERSAL

POINT I

THE DISTRICT COURT HAD JURISDICTION OF THE PARTIES TO AND THE SUBJECT MATTER OF APPELLANT'S PETITION FOR REVIEW AND ERRED IN DISMISSING THE SAME.

ARGUMENT AND AUTHORITIES

POINT I

THE DISTRICT COURT HAD JURISDICTION OF THE PARTIES TO AND THE SUBJECT MATTER OF APPELLANT'S PETITION FOR REVIEW AND ERRED IN DISMISSING THE SAME.

Appellant's right to obtain a judicial review of an order of the OIL CONSERVATION COMMISSION OF NEW MEXICO is created by statute, namely Section 65-3-22 N.M.S.A. 1953 Comp., which, in pertinent part, reads as follows:

> "65-3-22. Rehearings-Appeals.-(a) Within twenty (20) days after entry of any order or decision of the commission, any person affected thereby may file with the commission an application for rehearing in respect of any matter determined by such order or decision, setting forth the respect in which such order or decision is believed to be erroneous. The commission shall grant or refuse any such application in whole or in part within ten (10) days after the same is filed and failure to act thereon within such period shall be deemed a refusal thereof and a final disposition of such application. In the event the rehearing is granted, the commission may enter such new order or decision after rehearing as may be required under the circumstances.
>
> "(b) Any party to such rehearing proceeding, dissatisfied with the disposition of the application

> for rehearing, may appeal therefrom to the district court of the county wherein is located any property of such party affected by the decision, by filing a petition for the review of the action of the commission within twenty (20) days after the entry of the order following rehearing or after the refusal (of?) or rehearing as the case may be. Such petition shall state briefly the nature of the proceedings before the commission and shall set forth the order or decision of the commission complained of and the grounds of invalidity thereof upon which the applicant will rely; Provided, however, that the questions revieved on appeal shall be only questions presented to the commission by the application for rehearing. Notice of such appeal shall be served upon the adverse party or parties and the commission in the manner provided for the service of summons in civil proceedings...."

The trial court did not indicate the basis or reason for its decision dismissing Appellant's Petition For Review. Appellees, by motion and response, based their request for dismissal on a number of grounds, which may be summarized as follows: Failure of Appellant to exhaust its administrative remedies; Appellant's Petition was not timely filed; failure to join indispensable parties and the Court's lack of jurisdiction of the subject matter.

In argument to the trial court, Appellees' main reliance was upon the contention that Appellant had failed to exhaust its administrative remedies in that it had not applied for a rehearing on the order of the Commission issued after the rehearing applied for by Consolidated. That the Appellant's Petition For Review was not timely filed, was not seriously urged and could not be for the reason that it is alleged in paragraph two of the Petition For Review that Commission order No. R-2259-B, although dated July 3, was

entered July 9, 1963, which allegation was admitted by the Commission in its reply to the Petition and the Petition For Review was filed within 20 days of such entry as provided by statute.

It is respectfully submitted that Appellant did exhaust its administrative remedies. Section 65-3-22 does not require or even permit an application for rehearing of an order issued on rehearing. The statute contemplates only one rehearing, which was held by the Commission on the application of Consolidated.

If Appellant had not filed its Petition For Review within 20 days after the entry of the order following rehearing, it would lose its right to judicial review, and the Court would be without jurisdiction. It hardly requires citation of authority for the proposition that filing within the time specified in the statute is jurisdictional. Miller vs. Doe, 70 N.M. 432, 374 P.2d 305 (1962); Ross vs. Industrial Commission, 82 Ariz. 9, 307 P.2d 612 (1957); 2 Am. Jur. 2d, Administrative Law, Sec. 718; Continental Oil Co. vs. Oil Conservation Commission, 70 N.M. 310, 373 P.2d 809 (1962).

The statute does not require Appellant to file a second application for rehearing after the Commission has already granted and held one rehearing. In fact, the statute does not permit or provide for a second application for rehearing. The statute is plain and specific. It grants the right of appeal to any party to a Commission rehearing proceeding from the Commission order on rehearing by filing a petition for review within 20 days after the

entry of "...the order following rehearing...". Had Appellant filed a second application for rehearing before the Commission and not filed its Petition For Review of order No. R-2259-B within 20 days from July 9, 1963 or after July 29, 1963, the District Court would be without jurisdiction of the appeal.

CONCLUSION

It is respectfully submitted that Appellant followed and complied with Section 65-3-22 N.M.S.A. 1953 Comp.; that the District Court erred in dismissing the appeal and should have heard and decided the same on its merits.

Respectfully submitted,

W. A. KELLAHER and
JOHN B. TITTMANN

By (SIGNED) JOHN B. TITTMANN
Attorneys for Petitioner and
Appellant
First National Bank Bldg.-West
Albuquerque, New Mexico

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

PUBCO PETROLEUM,

Petitioner,

vs. No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

O R D E R

This matter having come on to be heard before the Court upon Motion of Appellants, for an Order extending the time within which to file the transcript upon appeal, and the Court being otherwise fully advised in the premises,

IT, THEREFORE, ORDERED, that the time within which to file the transcript upon appeal be and the same hereby is extended until the 28th day of February, 1964.

C. C. McCULLOH
DISTRICT JUDGE

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO - PRAECIPE (No. 11,637)

PUBCO PETROLEUM CORPORATION,

Petitioner,

vs. No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO, and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

P R A E C I P E

TO: VIRGINIA A. KITTELL
Clerk of the District Court
Eleventh Judicial District
San Juan County, New Mexico

Please prepare the transcript of the record in the above entitled cause, including therein each and every document and exhibit attached to such document, if any, including but not limited to the following:

1. Petition For Review filed by PUBCO PETROLEUM CORPORATION with Exhibit 1 to such Petition, said Exhibit 1 being a true and correct copy of Order No. R-2259-B of the Oil Conservation Commission.

2. Notice of Appeal to Oil Conservation Commission of New Mexico, Consolidated Oil and Gas, Inc., and all of the adverse parties.

3. Certificate of Service.

4. Entry of Appearance of James M. Durrett, Jr. for Oil and Gas Conservation Commission.

5. Entry of Appearance of Kellahin & Fox and T. P. Stockmar for Consolidated Oil and Gas, Inc.

6. Reply to Petition For Review of Respondent, Oil Conservation Commission of New Mexico, with Exhibit A.

7. Motion of Respondent, Consolidated Oil and Gas, Inc.

8. Motion For Consolidation of Causes 11637 and 11685.

9. Order of dismissal entered October 28, 1963.

10. Notice of Appeal to Supreme Court of the State of New Mexico.

11. This Praecipe.

Respectfully submitted,

W. A. KELEHER,
JOHN B. TITTMANN and
WILLIAM B. KELEHER

By (SIGNED) WILLIAM B. KELEHER
Attorneys for Petitioner
First National Bank Bldg. West
Albuquerque, New Mexico

I hereby certify that I caused a copy of the foregoing Praecipe to be mailed to opposing counsel of record this 30 day of October 1963.

(SIGNED) WILLIAM B. KELEHER
WILLIAM B. KELEHER

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner,

vs. No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO, and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

PUBCO
NOTICE OF APPEAL

NOTICE OF APPEAL

Please take notice that the petitioner, PUBCO PETROLEUM CORPORATION, hereby appeals to the Supreme Court of the State of New Mexico from the order of the District Court for the District of San Juan County entered in the office of the Clerk of said Court on October 28, 1963, dismissing the Petition For Review.

Respectfully submitted,

W. A. KELEHER,
JOHN B. TITTMANN and
WILLIAM B. KELEHER

By (SIGNED) WILLIAM B. KELEHER
Attorneys for Petitioner
First National Bank Building West
Albuquerque, New Mexico

I hereby certify that I caused a copy of the foregoing notice to be mailed to opposing counsel of record this 29 day of October 1963.

(SIGNED) WILLIAM B. KELEHER
WILLIAM B. KELEHER

State of New Mexico
Eleventh Judicial District Court
Aztec

CHAMBERS OF
C. C. McCULLOH
JUDGE, DIV. 1

TELEPHONE FE 4-6151

October 30, 1963

Mr. William B. Keleher
Attorney at Law
First National Bank Building
Albuquerque, New Mexico

Re: Pubco Petroleum Corporation, vs. Oil Conservation Commission, et al, No. 11637, San Juan County.

Dear Mr. Keleher:

Replying to your letter dated October 28, 1963, I had already received the proposed orders from Mr. Durrett and had signed and filed the order initialed by Durrett and Kellahin, before receiving your letter.

Best personal regards.

Very truly yours,

C. C. McCULLOH
District Judge

CCM:vf

cc: Mr. J. M. Durrett, Jr.

Mr. Jason W. Kellahin

State of New Mexico
Eleventh Judicial District Court
Aztec

CHAMBERS OF
C. C. McCULLOH
JUDGE, DIV. 1

TELEPHONE FE 4-6151

October 28, 1963

Mr. J. M. Durrett, Jr.
Attorney
Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Re: Pubco Petroleum Corporation vs. Oil Conservation Commission, et al, No. 11637, San Juan County.

Dear Jimmie:

I have signed the order in the above-entitled cause which was submitted by Jason Kellahin, and it is being filed as of the above date.

Best personal regards,

Very truly yours,

C. C. McCULLOH
District Judge

CCM:vf

cc: Mr. Jason Kellahin
Mr. William B. Kelleher

ZIP - 87101

October 28, 1963

Honorable C. C. McCulloh
District Judge
County Courthouse
Aztec, New Mexico

Re: Pubco Petroleum Corporation v. Oil Conservation Commission, et al, San Juan County No. 11637

Dear Judge McCulloh:

I am in receipt of copy of a letter dated October 25, 1963, addressed to you, in which Mr. J. M. Durrett states he has not been able to agree on the form of order to be signed in the above entitled case.

The order that I submitted is a two-page order. In the third paragraph of my proposed order I set forth certain findings. The findings are taken from the allegations of the second paragraph of the Pubco Petition for Review, which paragraph was admitted as true by the Oil Conservation Commission in its reply. I want to point up exactly what the decision of the court was so that on appeal there can be no question as to the grounds for the dismissal. I do not think Mr. Kellahin's order is adequate.

In the event that the court declines to sign the order prepared by me, I would appreciate a hearing, and if possible, would like to have heard at the same time the Pubco Petroleum Corporation's Petition to Intervene in the El Paso Natural Gas Company, et al, v. O.C.C., et al case, which is No. 11685.

Yours very truly,

s/ William B. Keleher

WBK/msd

cc: Mr. J. M. Durrett, Jr., Attorney
Oil Conservation Commission
P.O. Box 871, Santa Fe, N.M.

Mr. Jason W. Kellahin
Attorney at Law
P.O. Box 1713, Santa Fe, N.M.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 25, 1963

COPY

Honorable C. C. McCulloh
District Judge
County Courthouse
Aztec, New Mexico

Re: Pubco Petroleum Corporation v.
Oil Conservation Commission et al.,
San Juan County, No. 11637

Dear Judge McCulloh:

As opposing counsel have not been able to agree upon the form of the order to be entered in the above case, I am enclosing herewith an Order submitted by William B. Keleher, Attorney for Pubco Petroleum Corporation, along with an Order submitted by Jason W. Kellahin, Attorney for Consolidated Oil & Gas, Inc., and approved by me for the Oil Conservation Commission.

Very truly yours,

J. M. DURRETT, Jr.
Attorney

JMD/esr
Enclosures

cc: Mr. William B. Keleher
Attorney at Law
First National Bank Building (West)
Albuquerque, New Mexico

Mr. Jason W. Kellahin
Attorney at Law
P. O. Box 1713
Santa Fe, New Mexico

LAW OFFICES
OF
W. A. KELEHER
A. H. McLEOD
ATTORNEYS AND COUNSELLORS AT LAW
FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO 87101

W. A. KELEHER
A. H. McLEOD
T. B. KELEHER
JOHN B. TITTMANN
RUSSELL MOORE
WILLIAM B. KELEHER
MICHAEL L. KELEHER

October 23, 1963

Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention: J. M. Durrett, Jr.
Attorney

Re: Pubco Petroleum Company v.
Oil Conservation Commission,
et al, San Juan County-11637

Gentlemen:

Reference is made to the letter of October 15, signed by Mr. Durrett, in which you enclose a proposed Order in the above entitled case. After review of same, we feel that the Order should be expanded somewhat, and I therefore enclose at this time original and two copies of a revised Order. If you will kindly review, and if same meets with your approval, initial original and forward same, together with a copy to Mr. Kellahin, it will be appreciated. You will note that the Order recites the basis of the decision. The findings are taken from the Petition for Review filed by Pubco, as admitted by the Oil Conservation Commission Reply.

We request that we be notified when the Order is forwarded to Judge McCulloh for signature. If you would prefer, return the Order to me and I will see that Judge McCulloh signs the Order after your approval and that of Mr. Kellahin.

Yours very truly,

William B Keleher

WBK:cjw

Enclosures

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner,

vs. No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO, and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondants.

O R D E R

This matter coming on to be heard on affirmative defenses raised in the Reply to the Petition for Review filed by Respondent, OIL CONSERVATION COMMISSION OF NEW MEXICO, and on the Motion to Dismiss filed by the Respondent, CONSOLIDATED OIL AND GAS, INC., a corporation, and the Petitioner appearing by its attorney, William B. Keleher, and the Respondent, OIL CONSERVATION COMMISSION OF NEW MEXICO, appearing by its attorney, James M. Durrett, Jr., and the Respondent, CONSOLIDATED OIL AND GAS, INC., a corporation, appearing by its attorney, Jason W. Kellahin.

And the Court having examined the file, heard the arguments of counsel and being fully advised, FINDS:

That Consolidated Oil and Gas, Inc., a Colorado corporation, with permit to do business in New Mexico, in February of 1962, filed its application with the Oil Conservation Commission to modify the Commission's Order R-1670-C, which application was docketed by the Commission as its Case No. 2504. Hearing was held on this case before the Commission on April 18 through April 21, 1962. By Order No. R-2259, dated June 7, 1962, the

Commission denied the application. Consolidated Oil and Gas, Inc., filed an application for rehearing which was heard by the Commission on February 14, 1963, and by Order No. R-2259-B dated July 3, 1963, and entered on July 9, 1963, the Commission granted the application changing the proration formula for the Basin-Dakota Gas Pool from 25 percent acreage plus 75 percent acreage times deliverability to 60 percent acreage plus 40 percent acreage times deliverability by amending the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C.

That thereafter Petitioner, PUBCO PETROLEUM CORPORATION, appealed from Order No. R-2259-B of the Oil Conservation Commission to the District Court of San Juan County, which appeal was docketed July 29, 1963 in the District Court, San Juan County. That the Petitioner, Pubco Petroleum Corporation, failed to ask that the Oil Conservation Commission hold a second rehearing and, therefore, failed to exhaust its administrative remedy.

IT IS THEREFORE ORDERED that Petitioner's Petition for Review be, and the same is hereby dismissed on the grounds that Petitioner has failed to exhaust its administrative remedy, to all of which Petitioner excepts and objects.

_____

DISTRICT JUDGE

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

PUBCO PETROLEUM CORPORATION,

Petitioner,

-vs-

No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO, and CONSOLIDATED OIL AND GAS, INC., a Corporation,

O R D E R

This matter coming on to be heard on affirmative defenses raised in the Reply to the Petition for Review filed by Respondent Oil Conservation Commission of New Mexico, and on the motion to dismiss filed by the Respondent Consolidated Oil and Gas, Inc., and the Petitioner appearing by its attorney, William B. Keleher, and James M. Durrett, Jr., appearing for Respondent Oil Conservation Commission, and Jason W. Kellahin appearing for Respondent Consolidated Oil and Gas, Inc.,

And the Court having considered the allegations of the Petitioner's Petition for Review, and heard argument of counsel, and being fully advised, and good cause therefor appearing,

It is ORDERED that Petitioner's Petition for Review be, and the same hereby is, dismissed, to all of which Petitioner excepts and objects.

DISTRICT JUDGE

STATE OF NEW MEXICO)
) IN THE DISTRICT COURT
COUNTY OF SAN JUAN)

PUBCO PETROLEUM CORPORATION,

Petitioner,

-vs- No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO, and CONSOLIDATED OIL AND GAS, INC., A Corporation,

Respondents.

O R D E R

This matter coming on to be heard on affirmative defenses raised in the Reply to the Petition for Review filed by Respondent Oil Conservation Commission of New Mexico, and on the motion to dismiss filed by the Respondent Consolidated Oil and Gas, Inc., and the Petitioner appearing by its attorney, William B. Keleher, and James M. Durrett, Jr., appearing for Respondent Oil Conservation Commission, and Jason W. Kellahin appearing for Respondent Consolidated Oil and Gas, Inc..

And the Court having considered the allegations of the Petitioner's Petition for Review, and heard argument of counsel, and being fully advised, and good cause therefor appearing,

It is ORDERED that Petitioner's Petition for Review be, and the same hereby is, dismissed.

_____
DISTRICT JUDGE

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

PUBCO PETROLEUM CORPORATION,

Petitioner,

-vs- No. 11,637

OIL CONSERVATION COMMISSION of NEW MEXICO and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11,685

OIL CONSERVATION COMMISSION of NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

PUBCO AND SOUTHWEST MOTION TO CONDOLIDATE

VERITY, BURR, COOLEY & JONES
ATTORNEYS AND COUNSELORS AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO

M O T I O N

Come now Pubco Petroleum Corporation, Petitioner in the above styled cause No. 11,637; and Southwest Production Company, one of the Petitioners in above styled cause No. 11,685, and move the Court that said two causes be consolidated, and in support thereof would show to the Court that each of said causes is an appeal from Order No. 2259-B of the Oil Conservation Commission of New Mexico and that each of said causes should therefore be consolidated and heard together.

KELLAHIN & McLEOD

By _____
John E. Tittman

Attorneys for Petitioner,
Pubco Petroleum Corporation

VERITY, BURR, COOLEY & JONES

By _____
Geo. L. Verity

Attorneys for Petitioner,
Southwest Production Company

CERTIFICATE

I hereby certify that I caused a copy of the above motion to be mailed to opposing counsel on the 24 day of [illegible]

ILLEGIBLE

STATE OF NEW MEXICO)
) IN THE DISTRICT COURT
COUNTY OF SAN JUAN)

PUBCO PETROLEUM CORPORATION,

Petitioner,

-vs- No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO, and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

CONSOLIDATED MOTION TO DISMISS (No. 11,637)

M O T I O N

Comes now Consolidated Oil & Gas, Inc., named a respondent herein, and moves the Court as follows:

1. To dismiss the petition for review on the ground that the Court is without jurisdiction of the subject matter of the action.

2. To dismiss the petition for review on the ground that the action was not timely filed as provided by law.

3. To dismiss the petition for review because the petition fails to state a claim against respondents upon which relief can be granted, under the applicable appeal statute.

4. To dismiss the petition for review for the reason that a full and adequate administrative remedy is available to petitioner and petitioner has failed to exhaust its administrative remedy.

5. To dismiss the petition for review for failure of petitioner to join indispensable parties.

Without waiving any of the above and foregoing motions, respondent, Consolidated Oil & Gas, Inc., moves the Court to quash the return of service of summons on the ground that the

respondent has not been properly served with process in this action, as required by law, all of which more clearly appears on the face of the record in this cause.

Without waiving any of the above and foregoing motions, respondent, Consolidated Oil & Gas, Inc., moves the Court to strike paragraphs III, IV, V, VI, VII, VIII, IX and X of the petition herein, and as grounds therefore would show that the contents of said paragraphs and each of them are impertinent and immaterial.

Respectfully submitted,

CONSOLIDATED OIL & GAS, INC.

By Jason W. Kellahin

KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

One of the Attorneys for Respondent

I hereby certify that a true copy of the foregoing instrument was mailed to opposing counsel of record this 27th day of August, 1963

Jason W. Kellahin

OCC
ANSWER (No. 11,637)

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION, Petitioner,	)	
vs.	)	No. 11637
OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation, Respondents.	)	

REPLY TO PETITION FOR REVIEW

Respondent, Oil Conservation Commission of New Mexico, in reply to the Petition for Review, states:

1. Respondent admits the allegations of paragraphs I and II of the Petition for Review.

2. Respondent denies each and every allegation of paragraphs III through X of the Petition, including all legal conclusions stated therein.

WHEREFORE, Respondent prays:

1. That the Petition for Review be dismissed.

2. That Commission Order No. R-2259-B be affirmed.

3. That the Court grant respondent such other and further relief as the Court deems just.

AFFIRMATIVE DEFENSES

1. As its first affirmative defense, respondent states that petitioner has failed to state a claim upon which relief can be granted.

2. As its second affirmative defense, respondent states that the Court lacks jurisdiction over the subject matter and the

parties to this action as the petitioner has failed to exhaust the administrative remedies provided by Section 65-3-22, New Mexico Statutes Annotated, 1953 Compilation.

3. As its third affirmative defense, respondent states that if the Court has jurisdiction over the subject matter and the parties to this action, which is specifically denied by respondent, under the provisions of Section 65-3-22(b), New Mexico Statutes Annotated, 1953 Compilation, the Court cannot consider the allegations contained in the Petition for Review as the questions raised by such allegations were not presented to the Commission by the application for rehearing as is more fully shown by a copy of the Petition for Rehearing marked Respondent's Exhibit A, attached hereto, and incorporated herein by reference.

WHEREFORE, Respondent prays:

1. That the Petition for Review be dismissed.

2. That Commission Order No. R-2259-B be affirmed.

3. That the Court grant respondent such other and further relief as the Court deems just.

J. M. Durrett, Jr.

J. M. DURRETT, Jr.
Special Assistant Attorney General
representing the Oil Conservation
Commission of New Mexico, P.O. Box
871, Santa Fe, New Mexico

I hereby certify that on the 26th . . day of . . August . . . , 1963 . . . , a copy of the fore going pleading was mailed to opposing counsel of record.

. . J. M. Durrett, Jr. . .

RESPONDENT'S EXHIBIT A

BEFORE THE OIL CONSERVATION COMMISSION OF

THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 2504

ORDER NO. R-2259

APPLICATION OF CONSOLIDATED OIL & GAS, INC. FOR AN AMENDMENT OF ORDER NO. R-1670-C, CHANGING THE ALLOCATION FORMULA FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

PETITION FOR REHEARING

Comes now Consolidated Oil & Gas, Inc., applicant in the above styled hearing, through its attorneys of record therein, and hereby respectfully petitions the Oil Conservation Commission, hereinafter referred to as the Commission, for review of the action of the Commission in the above styled matter and in connection therewith shows the following:

1. This cause came on for hearing before the Commission at 9:00 A. M. on April 18, 1962, at Santa Fe, New Mexico.

2. That by Order No. R-1670-C, entered in Case No. 2095 effective February 1, 1961, the Basin-Dakota Gas Pool was created and prorated under an allocation formula based on seventy-five (75) percent acreage times deliverability plus twenty-five (25) percent acreage.

3. That the applicant, Consolidated Oil & Gas, Inc. seeks the recission of said Order No. R-1670-C and, as stated in its prior application seeks a new and establishing an allocation formula for the Basin-Dakota Gas Pool based on forty (40) percent acreage times deliverability plus sixty (60) percent acreage.

4. Finding No. 4 or Order No. R-2259 states:

> "(4) That the evidence presented at the hearing of this case concerning recoverable gas reserves in the subject pool is insufficient to justify any change in the present allocation formula."

5. Sufficient evidence was presented at the April 18, 1962 hearing of this matter to justify a change in the present allocation formula. In addition the Commission has in its files and may take notice of evidence relating to the Basin-Dakota Pool, the wells completed therein and the proration tracts specified. Such evidence includes data relating to acreage, pressure, open flow, Porosity, permeability, deliverability, quality of gas, and other pertinent data.

6. From available data it is practicable for the Commission to determine (a) the amount of recoverable gas under each producer's tract, (b) the total amount of recoverable gas in the pool, (c) the proportion that (a) bears to (b); and (d) what portion of the arrived at proportion can be recovered without waste, and from such determinations the correlative rights of interested parties can be determined.

7. Evidence presented and other data available to the Commission amply shows that Order No. R-1670-C, which permits and will increasingly permit non-ratable taking of gas, does not protect correlative rights and permits drainage between producing tracts in the Basin-Dakota Pool which is not equalized by counter drainage. Waste results when correlative rights are not protected.

8. On June 7, 1962, the Commission entered its Order No. R-2259 in the above styled matter, thus perpetuating Order No. R-1670-C, which is the action of the Commission hereby sought to be reviewed.

9. Order No. R-1670-C is based upon a finding that "there is a general correlation between the deliverabilities of the gas wells in the Dakota Producing Interval and the recoverable gas in place under the tracts dedicated to the wells." Evidence presented at the April 18, 1962 hearing of this matter conclusively shows

that no such correlation exists, and that the Commission's Order No. R-1670-C is void insofar as it establishes an allowable allocation formula for the Basin-Dakota pool and should be rescinded by the Commission.

10. Evidence presented and data available to the Commission amply supports applicant's contention that the appropriate allocation formula for the Basin-Dakota Pool should be based on no more than 40% acreage times deliverability plus no less than 60% acreage. Such an order will prevent waste, will distribute the allowable production among the producers in the pool on a reasonable basis, will not violate correlative rights, and will prevent premature abandonment of wells, which are or will become uneconomic under the formula set forth in Order No. R-1670-C.

11. Independently of other showings herein made, theevidence available to the Commission would fully support an order that wells having a deliverability of less than 300,000 cubic feet per day should not be prorated and that no well can have an effective deliverability in excess of 2,000,000 cubic feet per day for the purposes of any allocation formula without causing waste and abusing correlative rights.

Based upon the showings hereinabove made, the Applicant respectfully requests the Commission to set the above styled matter down for rehearing as provided by law. In connection therewith the applicant requests that the rehearing , if granted, be had on the following basis:

(a) That in its notice of the rehearing the Commission advise all interested parties that the hearing will consist of two parts: (i) a preliminary hearing before an examiner to take evidence concerning basic factual data relating to each well completed or drilling in the Basin-Dakota Pool. Attached hereto as Exhibit "A" is a proposed data sheet which sets forth the data to be gathered by the examiner as to each well and tract; and (ii) a subsequent hearing thirty or so days later before the Commission itself at which

additional testimony, evidence and expert opinions will be received;

(b) That in conjunction with both phases of the hearing the Commission exercise to the fullest its power of subpoena pursuant to Section 65-3-7 of the Oil and Gas Conservation Act to compel the production by all producers, owners and operators of all books, records and papers pertinent to the questions before the Commission at the rehearing and to compel the appearance of expert witnesses who can testify with respect thereto. That the announced purpose and scope of the investigation be to obtain, insofar as practicable, evidence relating to the correlative rights of all interested parties in and to the Basin-Dakota Pool.

(c) Attached hereto as Exhibit "B" is a list of the names and addresses of interested parties, insofar as known to applicant. If the requested method of handling the hearing is acceptable to the Commission the applicant will timely furnish to the Commission more detailed written requests relating to witnesses, books, records and papers to be subpoenaed.

Although applicant seeks a rehearing on any basis agreeable to the Commission, it is believed that handling the matter as requested will place the least burden on the Commission, provide the greatest opportunity for interested parties voluntarily to cooperate in gathering and presenting additional data, and provide for the Commission the maximum available amount of data practicably available upon which to base a valid and appropriate order relating to gas production from the Basin-Dakota Pool.

Respectfully submitted this
27th day of June, 1968

Consolidated Oil & Gas, Inc.

Holm, Roberts, Moore & Owen,
Ted P. Stockmar
1700 Broadway
Denver 2, Colorado

Kellahin & Fox
P. O. Box 1713
Santa Fe, New Mexico

By John W. Kellahin

ATTORNEYS FOR APPLICANT

Exhibit "A"

SAN JUAN BASIN
DAKOTA GAS RESERVOIR
PRODUCING WELLS

Tract Description & Designation	Acreage (Acres)	*Initial Reservoir Pressure (PSIG)	* Average Porosity Total (%)	* Average Porosity Net Gas Sat. (%)	* Average Permeability (Md.)	** Initial Absolute Open Flow Potential (MCFD)	** Deliverability Initial (MCFD)	** Deliverability Most Recent (MCFD)	Gross Gas Pay (Ft.)	Net Gas Pay (Ft.)	*** Gas Reserves Ultimate (MCF)	*** Gas Reserves At 6/1/62 (MCF)

* State sources of data, measured or estimated.
** Standard New Mexico one-point method
*** Utilize following assumptions:
Base pressure - 14.4 PSIA
Abandonment pressure - 270 PSIA
Reservoir temperature - 130° F.

Pubco Petroleum Corporation
P. O. Box 1419
Albuquerque, New Mexico

R & G Drilling Co.
P. O. Box 327
Farmington, New Mexico

Redfern & Herd
P. O. Box 1747
Midland, Texas

Val H. Reese & Associates, Inc.
Simms Building
Albuquerque, New Mexico

Paul F. Rutledge
Petroleum Building
Santa Fe, New Mexico

S
Skelly Oil Co.
P. O. Box 1650
Tulsa, Oklahoma

Southern Union Gas Company
Fidelity Union Tower
Dallas, Texas

Southwestern Production, Inc.
P. O. Box 765
Hobbs, New Mexico

Sunray-Midcontinent Oil Co.
101 University Blvd.
Denver, Colorado

Sunset International Petroleum Corp.
Midland Savings Building
Denver, Colorado

Tennaco, Inc.
P. O. Box 1714
Durango, Colorado

Tidewater Oil Company
P. O. Box 1960
Durango, Colorado

Texaco, Inc.
P. O. Box 3109
Midland, Texas

Texas-Eastern Transmission Co.
P. O. Box 1189
Houston, Texas

J. Glenn Turner
Mercantile Bank Building
Dallas, Texas

W. H. Weaver

Western Natural Gas Co.
1006 Main Street
Houston, Texas

Wilshire Oil Company of Texas

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

PUBCO PETROLEUM CORPORATION,

Petitioner,

-vs-

No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

CONSOLIDATED ENTRY OF APPEARANCE

ENTRY OF APPEARANCE

Come now KELLAHIN & FOX, P. O. Box 1713, Santa Fe, New Mexico, and hereby enter their appearance in the above-captioned cause, for and on behalf of the Respondent CONSOLIDATED OIL AND GAS, INC., in association with T. P. STOCKMAR, 1700 Broadway, Denver 2, Colorado, a member of the bar of the State of Colorado.

KELLAHIN & FOX
and
T. P. STOCKMAR

By Jason W. Kellahin
P. O. Box 1713
Santa Fe, New Mexico

I hereby certify that a true copy of the foregoing instrument was mailed to opposing counsel of record this 19th day of Aug., 1963

Jason W. Kellahin

OCC
ENTRY OF APPEARANCE

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION, Petitioner,	)	
vs.	)	No. 11637
OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation, Respondents.	)	

ENTRY OF APPEARANCE

J. M. Durrett, Jr., Special Assistant Attorney General, hereby enters his appearance on behalf of the respondent, Oil Conservation Commission of New Mexico, in the above entitled and numbered cause.

J. M. Durrett Jr.

J. M. DURRETT, Jr.
Special Assistant Attorney General
representing the Oil Conservation
Commission of New Mexico, P.O. Box
871, Santa Fe, New Mexico

I hereby certify that on the 16th day of August, 1963, a copy of the foregoing pleading was mailed to opposing counsel of record.

J. M. Durrett Jr.

Sec of Oil Conservation Com

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO PETROLEUM CORPORATION,

Petitioner,

vs. No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

NOTICE OF APPEAL

TO: OIL CONSERVATION COMMISSION OF NEW MEXICO, CONSOLIDATED OIL AND GAS, INC., AND ALL OF THE ADVERSE PARTIES:

YOU ARE HEREBY NOTIFIED that PUBCO PETROLEUM CORPORATION has appealed from Order No. R-2259-B of the Commission entered July 9, 1963 after rehearing by filing in the District Court of San Juan County, New Mexico its Petition for Review, a true copy of which is hereto attached.

W. A. KELEHER and
JOHN B. TITTMANN

By s/ John B. Tittmann
Attorneys for Petitioner
First National Bank Bldg.(West)
Albuquerque, New Mexico

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

PUBCO PETROLEUM CORP.,

Petitioner,

vs. No. 11637

OIL CONSERVATION COMMISSION OF NEW MEXICO and CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

PUBCO PETITION FOR REVIEW

PETITION FOR REVIEW

Comes now PUBCO PETROLEUM CORPORATION by its attorneys, W. A. Keleher and John B. Tittmann, and appeals from the order of the Oil Conservation Commission of New Mexico entered July 9, 1963 in Case No. 2904 on the docket of said Commission, being Order No. R-2259-B, and respectfully shows to the court:

I.

That PUBCO PETROLEUM CORPORATION is a corporation duly organized and existing under and by virtue of the laws of the State of New Mexico, with its principal office in Albuquerque, New Mexico, and owns gas-producing property in San Juan County affected by the decision of the Oil Conservation Commission herein appealed from.

II.

Consolidated Oil and Gas, Inc., a Colorado corporation, with permit to do business in New Mexico, in February of 1962, filed its application with the Oil Conservation Commission to modify the Commission's Order R-1670-C, which application was

ILLEGIBLE

docketed by the Commission as its Case No. 2504. Hearing was held on this case before the Commission on April 18 through April 21, 1962. By Order No. R-2259, dated June 7, 1962, the Commission denied the application. Consolidated Oil and Gas, Inc., filed an application for rehearing which was heard by the Commission on February 14, 1963, and by Order No. R-2259-B dated July 3, 1963, and entered on July 9, 1963, the Commission granted the application changing the proration formula for the Basin-Dakota Gas Pool from 25 percent acreage plus 75 percent acreage times deliverability to 60 percent acreage plus 40 percent acreage times deliverability by amending the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C. A true and correct copy of said Order No. R-2259-B is attached hereto as Exhibit 1, and by reference incorporated herein.

III.

Said order appealed from is invalid in that findings 6, 7, 9, and Exhibit "A" attached to said order are not based upon competent, substantial and sufficient evidence. Said findings and exhibit are based upon incompetent hearsay evidence and upon data admittedly erroneous, out-dated and for which no proper foundation or authentication was made.

IV.

Since the initial recoverable gas reserves for each individual tract are in error, the percentage of pool reserves attributable to each non-marginal tract and the tract acreage factors listed in said Exhibit A are also in error; accordingly, said Order No. R-2259-B fails to afford to the owner of each

property in the pool the opportunity to produce his just and equitable share of the gas in the pool, insofar as this can be done without waste, and for such purpose to use his just and equitable share of the reservoir energy, and is therefore violative of correlative rights.

V.

The order appealed from is invalid to the extent that it is predicated on finding No. 10, for the reason that there is no evidence, substantial or otherwise, which supports said finding and on the contrary the evidence definitely establishes a direct correlation between deliverability and reserve.

VI.

The order appealed from is invalid because it must be based upon the prevention of waste, and there is no evidence in the record to support any finding that waste is or has occurred under the present 25-75 formula or that waste will be prevented by the 60-40 formula adopted in said order.

VII.

Findings 13 and 14, insofar as they relate to waste, are not supported by any evidence in the record and are based upon erroneous theory and assumption that waste and violation of correlative rights are synonymous and identical.

VIII.

The order appealed from is invalid insofar as it is dependent upon Findings 15 and 16, for the reason that there is no substantial evidence in the record to support said findings.

IX

The order appealed from is invalid for the reason that the Commission has failed to make the basic findings necessary to the validity of the order concerning the portion of each tract's proportion of the total pool reserves which can be recovered without waste, and the record contains no evidence upon which such finding can be based.

X.

The order appealed from is invalid for the reason that no evidence was introduced of any change in circumstances of the operation of the Basin-Dakota Gas Pool which as a matter of fact could legally justify changing the 25-75% formula previously in effect.

WHEREFORE, petitioner prays that Commission Order No. R-2259-B be vacated and set aside.

W. A. KELLAHER and
JOHN B. TITTMANN

By s/ John B. Tittmann
Attorneys for Petitioner
First National Bank Bldg.(West)
Albuquerque, New Mexico

7-25-63

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2504
Order No. R-2259-B

APPLICATION OF CONSOLIDATED OIL & GAS, INC.,
FOR AN AMENDMENT OF ORDER NO. R-1670-C,
CHANGING THE ALLOCATION FORMULA FOR THE
BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA
AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for rehearing at 9 o'clock a.m. on February 14, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of July, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-1670-C, entered by the Commission on November 4, 1960, established Special Rules and Regulations for the Basin-Dakota Gas Pool and adopted, by reference, Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670.

(3) That Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670, allocates production on the basis of 25 percent acreage plus 75 percent acreage times deliverability, hereinafter referred to as the 25-75 formula.

(4) That the applicant, Consolidated Oil & Gas, Inc., seeks amendment of the Special Rules and Regulations for the Basin-Dakota Gas Pool to allocate production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

(5) That the initial recoverable gas reserves in the Basin-Dakota Gas Pool, insofar as can be determined, total approximately 2.255 trillion cubic feet, of which approximately 96 billion cubic feet is attributed to marginal wells, which are permitted to produce at capacity.

(6) That the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool are as shown in Column C, Tract Reserves, of Exhibit A attached hereto and made a part hereof.

(7) That the percent of the total pool reserves attributable to each non-marginal tract in the Basin-Dakota Gas Pool is as shown in Column D, Percent of Pool Reserves, of Exhibit A.

(8) That it is impracticable to allocate production solely on the basis of the percentage of pool reserves due to the continuous fluctuation in reserve computations resulting from new completions in the pool and re-evaluation of reserves of existing wells.

(9) That the tract acreage factor for each non-marginal well in the Basin-Dakota Gas Pool is as shown in Column A of Exhibit A; that the deliverability for each non-marginal well, insofar as can be determined, is as shown in Column B of Exhibit A.

(10) That in the Basin-Dakota Gas Pool there is no direct correlation between deliverability and reserves, or acreage and reserves, and that, therefore, neither should be used as the sole criterion for distributing the total pool allowable among the tracts.

(11) That the most reasonable basis for allocating production in the Basin-Dakota Gas Pool is to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, said relationship hereinafter referred to as the tract's A/R Factor, and to select the allocation formula that will allow the maximum number of wells in the pool to produce with an ideal tract A/R Factor of 1.0, or with a tract A/R Factor of from 0.7 to 1.3, which, due to inherent variance in interpreting and computing reserves, is within a reasonable tolerance.

(12) That the percentage of deliverability and the percentage of acreage included in the allocation formula affect the percentage of the total pool allowable assigned to each non-marginal well in the pool, thereby affecting the number of wells in the pool producing with a tract A/R Factor of from 0.7 to 1.3.

(13) That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights.

(14) That, based upon the December 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined.

(15) That numerous wells in the Basin-Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as is practicable, prevent drainage between producing tracts which is not equalized by counter drainage.

(16) That an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

(17) That Order No. R-1670-C should be amended to provide an allocation formula for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, based 60 percent on acreage and 40 percent on acreage times deliverability.

(18) That, due to the time required to administer a new allocation formula for a prorated gas pool, this order should not be effective until August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C, are hereby amended by adoption of the following:

RULE 9(C): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the following manner:

1. Forty percent (40%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. Sixty percent (60%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's acreage factor bears to the total acreage factor for all non-marginal wells in the pool.

(2) That Order No. R-2259 is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

(4) That this order shall be effective August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

EXHIBIT A

ORDER NO. R-2259-B

ALLOCATION FORMULAE 25 PERCENT ACREAGE 75 PERCENT ACREAGE TIMES DELIVERABILITY AND 60 PERCENT ACREAGE 40 PERCENT ACREAGE TIMES DELIVERABILITY

BASIN DAKOTA TRACT/POOL RESERVES AND ALLOCATION ARRANGED IN THE ORDER OF PIPELINE AND OPERATOR

DESCRIP. WELL	S	T	R	COL A AF	COL B DAILY DELIV	COL C TRACT RES. MMCF	COL D PCT. POOL RES.	25—75 FORMULA COL E MCF ALLOW	COL F PCT. POOL ALLOW	COL G A/R FACTOR	60—40 FORMULA COL H MCF ALLOW	COL I PCT. POOL ALLOW	COL J A/R FACTOR
EL PASO NATURAL GAS PIPELINE SYSTEM													
ADOBE OIL COMPANY													
1G 20	31	13		92		947	.04386	3874	.05622	* 1.28	6322	.0917	2.09
1G 19	27	11	1	002	1	3730	.17508	9477	.13755	* .79	9680	.1405	* .80
1N 20	31	11		92		795	.04400	4111	.05977	1.36	6448	.0936	2.13
1N 28	31	11	1	000		563	.17355	5434	.07899	* .98	7524	.1092	1.36
1A 5	30	11	1	000		555	.20933	5398	.07833	* .81	7505	.1089	* 1.12
1K 2	31	11	1	000		582	.15781	5534	.08033	* 1.10	7577	.1100	* 1.50
1N 14	31	11	1	000		438	.20513	4778	.06933	* .73	7174	.1041	* 1.10
1K 11	31	11		98		163	.23003	3267	.04744	.44	6276	.0911	* .86
1K 33	31	11	1	000		375	.21303	4447	.06455	.65	6998	.1015	* 1.03
1G 21	31	11	1	000		551	1.00000	5371	.07799	1.68	7491	.1087	2.35
AINSLIE PETROLEUM INVESTMENT COMPANY													
1M 20	25	9	1	000		930	1.20000	7361	.10688	1.92	8552	.1241	2.27
AMERADA PETROLEUM CORPORATION													
3N 23	25	5	1	000		168	.50887	3360	.04888	.21	6418	.0931	.40
6E 22	25	5	1	000		395	.12029	4552	.06611	.55	7054	.1024	* .85
6D 22	25	5	1	000	9	949	.11028	54719	.79411	7.20	33809	.4906	4.45
9D 16	25	5	1	000	4	174	.11579	24395	.35400	3.06	17637	.2559	2.21
9A 20	24	5	1	000	2	336	.06947	14744	.21400	3.08	12489	.1812	2.61
AZTEC OIL AND GAS COMPANY													
3D 34	29	13	1	000		458	.31645	4883	.07099	.48	7230	.1049	* .72
4D 34	29	13	1	000	1	231	.33752	8942	.12988	* .83	9395	.1363	* .87
2D 22	28	13	1	000	2	588	.14330	30947	.23322	1.63	13195	.1915	1.34
BAYVIEW OIL CORPORATION													
1M 7	27	12		48		186	.17258	3726	.01658	.02411	.14	3105	.0451	.26
BENSON MONTIN GREER DRILLING CORPORATION													
1A 18	27	12	1	000		126	.23022	3140	.10662	.04566	.43	6300	.0914	* .86
X 1E 12	27	11	1	000	1	621	.36221	10990	.16776	.15955	* .95	10487	.1522	* .91
1A 34	28	13	1	000		660	.25991	5944	.12038	.08663	* .72	7796	.1131	* .94

WELL DESCRIPTOR												
COA	00000	D00	Z00	A000	000	CAMBELL	0	0000000	000000	00000	000	4
COB	00000	Z00	000	000	550	0	0	0000000	0000000	0000	R000	
COC	11111	A111	Z111	I1111	Z 1	0	0	1111111	1111111	1111	0111	
COD	33333	7	Z99	S1111	0000	CA210	0	X4333	TE2333	AL555	J1111	SART
COE	11111	D	A	1111	1	0	1	E1111	DA1111	T	AY111	41
COF	87787	011	BR5	T7777	2	0	6	SS0076	D01116	ZN444	T4606	PAGE
COG	22222	033	B22	-2222	2	0	6	-3333	-3333	ZE222	TA2302	
COH	83371	W73	08	R4111	4	Z3	1	AS5103	J2157	ZE961	8382	
COI	21111	X21	22	B3111	3	2	2	A3332	0 1 1	- 112	-2112	
COJ	1 1			1				1				
COK	11			1				1				
COL	84106	87	77	6652	3	8	1	5550	1	8	8	
COM	06661	67	78	4092	2	8	1	4540	1	6	8	
CON	• • • • •	• •	• •	• • •	• •	•	•	• • • • •	• • • • •	• • • •	• • •	•
COO	1 11		1	21		1		4 1 2	1 12	3332	2	2
COP	# #		#	##		*		* ##	** **		*	
COQ	89947	27	32	81865	87	43	5	17435	74139	49114	27	
COR	27317	92	36	85555	48	69		02030	72488	11620	98	3
COS	95195	91	09	25135	09	96		99011	92909	11446	11	3
COT	01101	00	10	21113	000	10	4	20111	00101	11116	11	3
COU	• • • • •	• •	• •	• • •	• • •	•	•	• • • • •	• • • • •	• • • •	• • •	•
COV	62681	87	20	83899	57	85	3	90977	28336	75850	99	1
COW	98497	55	12	33339	78	17		89107	46168	67495	67	9
COX	38828	63	76	43733	67	85	7	99308	73586	76750	76	1
COY	60760	66	76	14093	31	97	9	19667	66767	78901	87	91
COZ	1 1			11				1 12		1		
CPA	66911	35	59	12	14	42	5	42905	68855	03002	0	84
CPB	56472	33	14	1187	1132	86	51	44975	64223	32852	637	9
CPC	• • • • •	• •	• •	• • •	• • •	•	•	• • • • •	• • • • •	• • • •	• • •	•
CPD	1		1	31				6 3	11	2332	2	1
CPE	**		*	Y **		*		**	*			
CPF	82659	79	72	AN2332	84	96	5	00466	89116	02708	54	2
CPG	48259	44	64	PA6688	2855	69	9	41882	61711	32048	5711	92
CPH	47846	44	55	PM6622	2255	69	3	41468	82211	11473	8990	11
CPI	01001	00	00	CO2111	000	0	1	40000	02	01117	000	1
CPJ	• • • • •	• •	• •	CO • • •	• • •	•	•	• • • • •	00100 D • • • • •	• • • •	• • •	•
CPK				C					TED			
CPL	80849	22	28	UC 027	8	9	4	06805	TA2321	02935	86	3
CPM	11333	09	63	GN1663	9584			00060	RA1080	71294	94	
CPN	33701	33	67	ZN2468	1968	79	6	80356	92311	57129	6600	82
CPO	33163	33	37	IN1188	1638	47	9	D8345	OR3744	57920	5665	13
CPP	1 1			UC11				TED 12 1	RD	1		
CPQ	66798	Y33	73	DU1122	2074	24	2	RA2662	07070	24667	3843	4
CPR	91224	Z00	76	OR7288	9100	24	2	RA1243	UC3330	64704	Z308	3
CPS	85557	A666	80	RP4886	9180	24	2	O5796	NZ3443	64211	-021	8
CPT	84853	PB33	87	PB4446	2755	08	4	RP6961	-8084	33336	-144	6
CPU	02101	MP11	01	O114	2125	08	4	RO0011	O-100	0000	T101	6
CPV	• • • • •	O • •	• •	L • • •	• • •	•	•	O • • • • •	AS • • • • •	• • • •	A • • •	•
CPW	56307	U27	88	-9900	1554	42	2	UC6007	AO000000	Y0000	RA4664	
CPX	59032	337	68	0220	1554	32	2	NO0000	GO000000	ZN8500	RO8894	
CPY	82029	S99	23	8221	8557	94	2	-141	8289	7850	P034	
CPZ	15412	J22	12	ZN3331	3557	Y5	1	12112	DN121	MP 1	RO 34	
CQA		O		A		NZ		N	N	M	O	
CQB	02858	I77	60	U6111	7441	42	4	04874	AM3349	07042	C9939	
CQC	66725	C117	40	-9111	2561	59	3	T1546	7433	C1072	407	3
CQD	17617	-111	R•140	R9721	1261	EL42	5	RT0156	O-L2193	-L 6038	O-L6857	1
CQE	1 1	Z	J	M2211		CO135	2	R5	O-	- 111	O	0
CQF												
CQG	33333	77	Z99	S1111	W0001	CA2110	0	X4333	TE2333	AL5555	J1111	SART
CQH	11111	D	A	1111	1	0	1	E1111	DA1111	T	AY111	41
CQI	87787	011	BR55	T7777	BR7711	CA 71	6	SS0076	D01116	ZN4444	T4606	PAGE
CQJ	22222	033	B22	-2222	B2271	•2 71	6	-3333	-3333	ZE2222	TA2302	
CQK	83371	W73	08	R4111	4444	Z3	1	AS5103	J2157	ZE9661	8382	
CQL	21111	X21	•22	B3111	3333	2	2	A3332	0 1 1	- 112	-2112	
CQM	2			1				1				
CQN	11			1				1				

ILLEGIBLE

ILLEGIBLE

PAGE 7

DESCRIP WELL	S	T	R	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
2N	10	26	11	100	247	3000	.13895	3775	.0548	.39	6639	.0963	.69
PLATEAU INCORPARTED GAS PIPELINE SYSTEM													
PAN AMERICAN PETROLEUM CORPORATION													
1	27	29	11	100	1858	3700	.17137	12234	.1775	*1.04	11151	.1618	*.94
SOUTHERN UNION GAS PIPELINE SYSTEM													
ASPEN CRUDE PURCHASING COMPANY													
1J	5	31	13	100	76	900	.04169	2877	.0418	*1.00	6160	.0894	2.14
ATLANTIC REFINING COMPANY													
1N	16	29	10	100	1109	1900	.08800	8301	.1205	1.37	9053	.1314	1.49
1G	36	29	11	100	1676	3700	.17137	11278	.1637	*.96	10641	.1544	*.90
AZTEC OIL AND GAS COMPANY													
7I	14	28	11	100	7183	4623	.21412	40195	.5833	2.72	26063	.3782	1.77
8D	14	28	11	100	3193	3900	.18064	19244	.2793	1.55	14889	.2161	*1.20
9K	16	28	10	100	4559	5257	.24349	26417	.3833	1.57	18715	.2716	*1.12
10M	15	28	10	100	3658	5958	.27595	21686	.3147	*1.14	16192	.2350	*.85
11A	15	28	10	100	5201	6776	.31385	29788	.4323	1.38	20513	.2977	*.95
12A	16	28	10	100	3846	5800	.26863	22673	.3290	*1.22	16718	.2426	*.90
15M	31	29	9	78	1428	1800	.08337	7781	.1129	1.35	7758	.1126	1.35
16M	30	29	9	84	844	1500	.06948	5804	.0842	*1.21	6981	.1013	1.46
3L	6	29	11	96	955	3368	.15599	7193	.1044	.67	8277	.1201	*.77
1H	7	29	11	100	1212	3484	.16137	8842	.1283	*.80	9342	.1356	*.84
4B	18	29	11	100	1205	4300	.19917	8805	.1278	.64	9322	.1353	.68
6L	18	29	11	100	1043	4300	.19916	7955	.1154	.58	8868	.1287	.65
1B	20	29	11	100	1184	3500	.16211	8695	.1262	*.78	9263	.1344	*.83
3K	5	29	10	100	518	1900	.08800	5198	.0754	*.86	7398	.1074	*1.22
4G	4	29	10	100	786	1700	.07874	6605	.0959	*1.22	8149	.1182	1.50
11L	7	27	9	100	1985	2754	.12755	12901	.1872	1.47	11506	.1670	1.31
12H	7	27	9	98	2615	1836	.08504	15885	.2305	2.71	13005	.1887	2.22
13A	12	27	10	100	1669	2025	.09379	11242	.1631	1.74	10621	.1541	1.64
14M	12	27	10	100	1018	2800	.12969	7823	.1135	*.88	8798	.1277	*.9[illegible]
15B	6	27	9	122	1109	1653	.07656	10128	.1470	1.92	11045	.1603	2.0[illegible]
16K	6	27	9	109	1006	1561	.07230	8459	.1228	1.70	9554	.1386	1.[illegible]
17N	5	27	9	105	927	2203	.10204	7713	.1119	*1.10	8971	.1302	*1.[illegible]
18B	5	27	9	100	419	1744	.08078	4678	.0679	*.84	7121	.1033	*1.[illegible]
14K	10	29	10	100	635	1600	.07410	5812	.0843	*1.14	7726	.1121	1.[illegible]
15M	3	29	10	100	761	1500	.06948	6474	.0939	1.35	8079	.1172	1.[illegible]
16H	3	29	10	100	674	1400	.06484	6017	.0873	1.35	7835	.1137	1.[illegible]
1B	29	28	10	100	2689	3600	.16674	16598	.2409	1.44	13478	.1956	*1.[illegible]7
4J	29	27	9	100	906	2020	.09356	7235	.1050	*1.12	8485	.1231	1.3[illegible]
5C	29	27	9	100	350	4633	.21459	4316	.0626	.29	6928	.1005	.4[illegible]
2C	23	28	11	100	3870	4500	.20843	22799	.3308	1.59	16785	.2436	*1.1[illegible]
1P	32	29	11	98	2024	2555	.11834	12844	.1864	1.58	11383	.1652	1.4[illegible]
4K	28	29	11	100	1189	4000	.18526	8721	.1266	.68	9277	.1346	*.7[illegible]
5I	29	29	11	100	794	3700	.17138	6647	.0965	.56	8171	.1186	.6[illegible]
14F	23	28	10	100	3674	4089	.18939	21770	.3159	1.67	16236	.2356	*[illegible].24
15N	14	28	10	100	6793	4790	.22185	38147	.5536	2.50	24971	.3624	1.[illegible]
16L	24	28	10	100	3906	2570	.11904	22988	.3336	2.80	16886	.2450	2.[illegible]
17A	24	28	10	100	1604	2453	.11361	10900	.1582	1.39	10439	.1515	1.[illegible]
18A	13	28	10	100	1955	3154	.14609	12743	.1849	*1.27	11422	.1658	*1.[illegible]3
19G	14	28	10	100	5918	4800	.22232	33553	.4869	2.19	22521	.3268	1.47
20N	13	28	10	100	2334	3200	.14821	14734	.2138	1.44	12484	.1812	*1.22
1M	17	29	11	100	1194	4200	.19453	8748	.1269	.65	9291	.1348	.60
1B	19	29	11	100	1198	4300	.19917	8769	.1272	.64	9302	.1350	.6[illegible]

ILLEGIBLE

ILLEGIBLE

ILLEGIBLE

ILLEGIBLE

ILLEGIBLE

See Pan American Petroleum Corp. v. Orr, 18 O&GR 1061 (USCA, 5th Cir., Tex. 1963), a case where the two year limitation period was the issue. Here plaintiff in effect conceded the point by pleading only two year recovery.

W. J. F.

◆ ◆ ◆ ◆ ◆ ◆

PICKENS et al. v. RAILROAD COMMISSION et al.

Texas Supreme Court
February 10, 1965—No. A-10116
387 S.W. 2d 35
(Rehearing denied March 10, 1965)

Allowables: Oil Allocation Formula Based 50% on Surace Acreage-50% on Acre Feet Supported by Substantial Evidence.

Appellants from the trial court's affirmation of Railroad Commission order prorating production on the basis of 50% surface acreage-50% acre feet had properties located in the thicker interior portions of the reservoir. They contended it was illegal discrimination not to give each owner a full opportunity to capture the oil in place beneath his acreage through adoption of a 100% acre foot formula. Expert witnesses testified the pool was subject to a water drive which, under a 100% acre foot formula, would result in thinner edge acreage being watered out before it had an opportunity to produce its fair share, with consequent unfair advantage to the thicker interior acreage, and that the formula adopted gave an opportunity to produce a fair share to all owners in the pool. Held: Affirmed. The testimony constitutes substantial evidence in support of the Commission's order which is all that is required to sustain it.

For appellants: Prentice Wilson, Dallas; Roach & Robertson, Dallas; Fred Erisman, Longview; J. W. Hassell, Jr., Dallas.

For appellees: Waggoner Carr, Atty. Gen., Linward Shivers, Joseph Trimble, Asst. Attys. Gen., Austin; Powell, Rauhut, McGinnis, Reavely & Lochridge, Robert C. McGinnis, B. D. St. Clair, Austin; Robert B. Payne, Dallas; R. J. Stanton and H. D. Bushnell, Tulsa, Oklahoma; Robert F. LeBlanc, C. C. Cammack, Gentry Lee, Alfred O. Hull, Bartesville, Oklahoma; William P. Gibson and Wallace G. Malone, Dallas.

Direct Appeal from Travis County 98th District Court.

GREENHILL, Justice.

The main question here is the validity of the order of the Texas Railroad Commission prorating the production allowable

of oil from the Fairway (James Lime) Field in Anderson and Henderson Counties, Texas. The order fixed the rate at which the various owners of the oil could produce. The district court found the order to be reasonably supported by substantial evidence and upheld it. W. L. Pickens and others have brought the case to us by direct appeal. The main law question before us is the same as that before the district court: Is the Commission's proration order reasonably supported by substantial evidence?

The formula under attack has two basic elements: (1) the number of surface acres in the production unit on which there is a well, usually 160 acres; and (2) the number of acre-feet of productive sand or rock which are within, or below, the 160 surface acres. The acre-foot is a measure of volume. Some surface acres of the field have, vertically, a thicker section of productive sand below them. An acre-foot, as used here, refers to a horizontal square acre with a thickness of one foot of productive sand. An acre-foot contains 43,560 cubic feet of oil or gas-bearing formation.

In addition to pleading that the order was unreasonable because it did not protect their correlative rights and would permit uncompensated drainage, Pickens et al. pleaded that any formula which was not "based solely on net acre-feet of pay underlying each unit tract" would be unreasonable, would fail to protect their correlative rights, and would deprive them of their property without due process of law. Their witness's testimony was that the formula should have been based 100 per cent on acre-feet of productive sand.

The proration order was arrived at in the following manner: the Commission each month determines the amount of oil to be produced from all fields in Texas. It divides this amount among the various fields. The total amount this particular field may produce is determined from time to time and is not fixed in the proration allowable formula here attacked. What the proration order does is to allocate to the wells in the field the part of the total field allowable which each well may produce. There are some exceptions because some wells have but limited capacity, others have a high gas-oil ratio, and so forth. Those wells are given particular allowables and are not here involved. The remaining volume of oil, whatever it is, is divided in half: one-half of the oil is allocated to the wells in that proportion which their assigned surface acreage in the oil field (usually 160 acres) bears to the total acreage in the field (about 21,000 acres); and the other half is distributed among the same wells in that proportion which their assigned acre-feet, their net acre-feet, bears to the total acre-feet in the field. Thus it is said that the formula allows 50 per cent for acreage (up to 160 surface acres), and 50 per cent for acre-feet.

The Fairway (James Lime) Field was discovered in 1960.

It is located in a single structure, a common reservoir, some 9,500 feet below the surface. Early in 1961, the Commission issued an order prorating the field's production on the basis of a formula which was weighted to allow 50 per cent for the producing well itself. This is called a "per well" factor. The other 50 per cent was credited to surface acreage in the producing unit up to 160 acres. So the first formula was 50 per cent per well and 50 per cent for surface acreage.

On March 8, 1961, and February 14, 1962, this Court handed down its opinions in the Normanna [1] and Port Acres [2] cases Those opinions invalidated particular gas proration orders in those fields which contained a substantial [one-third] "per well" factor. Thereafter on May 23, 1962, the Commission withdrew its Fairway Field proration formula which contained the 50 per cent "per well" factor and promulgated a proration schedule based 100 per cent on surface acreage in each producing unit.

The spacing pattern was, and is, basically 160 acres to the well. No small tracts are here involved. Under that formula, the allowable oil production for each well was determined entirely by the number of surface acres, up to 160, which were situated over productive sand or rock. Pickens protested this formula but did not appeal.

In November and December of 1962, the Commission held a new hearing. On March 6, 1963, it promulgated the order here in question. The Commission retained 160 acres as the spacing unit for wells (about which there is no controversy); and, as stated, it announced that the proration of the allowable production of oil among the wells would be based on a fraction made up of two factors: (1) 50 per cent for the number of surface acres over the productive strata, and (2) 50 per cent for the number of acre-feet in the production unit. This "50 per cent acreage, 50 per cent acre-feet" formula will be hereafter referred to as the "50–50 formula." It must be borne in mind that it differs very substantially from another 50–50 formula previously used which allocated 50 per cent to the well alone and 50 per cent to surface acres.

The total allowable for the field is approximately 40,000 barrels per day. At the time of issuance of the order, there were 135 wells in the field, three of which were operated by Appellant Pickens. On the basis of surface acres in the field, each well on a 160-acre tract would be allowed to produce approximately 302 barrels per day. The witness Latimer testi-

[1] Atlantic Refining Co. v. Railroad Commission, 162 Tex. 274, 346 S.W. 2d 801, [14 O&GR 362] (1961) (Normanna Field).

[2] Halbouty v. Railroad Commission, 357 S.W. 2d 364, [16 O&GR 788] (Tex. 1962) (Port Acres Field).

fied that when the field was prorated on a 100 per cent acreage basis, Appellant Pickens' three wells on 480 of the field's 21,000 acres had an allowable of 333 barrels per day each. The effect of the 50–50 formula was to raise his allowable to between 362 and 378 barrels per well per day. The allowables on other wells having fewer acre-feet were lowered. For example, the Sun Oil Company's Lloyd #1 Well had an allowable of 233 barrels per day under the 50–50 formula.

Pickens and others filed suit in Travis County on April 8, 1963, to attack this order of March 6, 1963. They contend, among other things, that it was unreasonable and was not supported by substantial evidence, mainly, in that it discriminates against people who have the most oil in place under their surface acres, i.e., the most acre-feet; and it allows, they say, an undue advantage to those having the same surface acreage over the oil but fewer acre feet of oil in place. They also contend that it will bring about undue uncompensated draining which will ultimately result in their great financial loss. Pickens et al. seek to bring this case within the decisions of the Normanna and Port Acres cases, supra, as well as the decision in Railroad Commission v. Shell Oil Co., 380 S.W. 2d 556 [20 O&GR 888] Tex. 1964), which passed upon the proration order in the Quitman Field.

The Commission's order is presumed to be valid. The question is not whether the Commission came to a proper factual conclusion on the basis of conflicting evidence, but whether it acted arbitrarily and without regard to the facts. Railroad Commission v. Manziel, 361 S.W. 2d 560, [17 O&GR 444] (Tex. 1962). Our duty is to look to the record as a whole to see whether the order of the Commission is reasonably supported by substantial evidence. While we look to the record as a whole, our duty is to determine whether there is in the record competent evidence which reasonably supports the order. The evidence is voluminous; of necessity it must be greatly condensed.

The oil-bearing strata in question is several miles across, and is elevated about 130 feet toward its center. The thickest of the oil-saturated sand or rock (some 115 feet vertically) is in the central part of the strata or field. It is not located over subsurface water. If the field could be sliced and looked at vertically, the oil-bearing portion or strata could roughly be compared to an elongated, very gradually sloping crescent, the entire center of which is elevated toward the surface. It may be described as a symmetric recumbent anticline. The "thick" area of the field, which has the most acre-feet of oil-bearing rock, is updip (at a higher elevation in the structure) from the thinner sections which are toward the ends of the crescent. The thinnest producing rock or sand is some 15 feet thick. The average thickness is about 77 feet. The argument of Pickens is that since

there is an average of 77 acre-feet of producing sand below each average surface acre, the 50–50 formula is weighted overwhelmingly in favor of surface acres as contrasted to acre-feet of producing sand. There is not, they say, one acre-foot for each surface acre (which they say would make a 50–50 allocation more equitable), but an average of 77 acre-feet for each surface acre. Hence the areas of thickest sands are not being allowed to produce in proportion to the reserves in place.

Pickens and others relied upon the testimony of H. J. Gruy, a consulting petroleum engineer and geologist. He projected the 77-to-1 figures mentioned above to show that Pickens et al. will ultimately recover amounts substantially less under the 50–50 formula than they would if the formula used were based 100 per cent on the number of acre-feet under each tract. His testimony was that oil wells would drain in excess of 160 surface acres, and that Pickens et al. would be the victims of net uncompensated drainage.

Gruy disputed the assertion that there was any water drive or water encroachment in the field. He testified that any water in the wells toward the edge of the field was due to poor cementing of the wells. He conceded that there was water in some of the wells, and that there was water in contact with the oil on the edge of the field. He had not studied the aquifer (water-bearing sand) surrounding the field and underlying a large part of it, but he stood on the proposition of no water encroachment. He concluded that the oil reservoir was not made up of homogeneous rock or sand. He advocated a 100 per cent acre-foot formula, "although we don't know enough about these acre feet to differentiate and say, 'Mr. X has got twice as good acre feet as Mr. Y.'" Gruy was the only witness for Appellants Pickens et al.

The Appellees called five expert witnesses, who were petroleum reserve engineer, and a petroleum consultant. These experts agreed that the field was virtually surrounded by water which was in contact with the oil in the field, and that a substantial portion of the field was located over water which was also in contact with the oil. Their testimony was that there was a marked difference in the bottom-hole pressures in the various wells in the field. The wells toward the center of the field and the thick section of the oil-bearing strata had a lower pressure than the wells toward the edge of the field, particularly to the southeast.

The discovery wells were in the southeast part of the field, and that portion of the field had produced almost a year longer than the center section. Yet the pressure in that southeast area has not declined as much, proportionately, as the pressure in the center or thicker section of the field where Appellants Pickens et al. (as well as many of the Appellees, including the Appellee

Hunt Oil Company) had their wells. The explanation was that as the oil was withdrawn from the field, water moved into the field around its edges to replace the oil, thus keeping up the pressure. There was evidence that edge wells were making water and that the amount of water in the wells was increasing.

The witness Thomas W. Clay testified that the aquifer which was under portions of the field and adjacent to the field, was very sizable; large enough for a water drive. He concluded that there was not a complete water drive but there would be a limited water drive; that the water would expand. In his opinion, the 50–50 formula gave each operator or owner a reasonable opportunity to recover the oil in place under his tract.

The witness J. R. Latimer, Jr., testified that the aquifer was about three times the size of the field, and its encroachment explained the maintenance of bottom-hole pressure in the wells located over the water. He said that 52 per cent of the field was underlain by water. He pointed out one well which had been abandoned as a non-producer because of water. Another had increased in water production from 40 to 54 per cent; another from zero to 54 per cent water.

It was Latimer's testimony that substantial quantities of water are in fact moving into the field, and its movement will continue. At first he did not believe that there was enough evidence to support the conclusion that there was a water drive. This belief continued into 1962. But he thereafter changed his mind. While the amount of water now being produced from oil wells is insignificant compared to the total volume of oil which has been produced, water is moving into the field and will continue to do so.

The water, he said, encroaching from the edges of the field, would push the oil updip toward the thicker sections of the strata where Appellant Pickens' wells are located. The thinner sections would be watered out first. In his opinion, a 100 per cent acre-foot proration formula would cause an acceleration of the influx of water, and the allowables from the watered-out wells on the thinner tracts would then be transferred to the wells on the thick tracts toward the center of the field.

The witness Latimer further testified to pressure differentials in the field. Oil, he said, will drain toward low pressure. It cannot drain against pressure. The area in the center of the field, around the wells of Pickens et al., has lower pressure than the pressure around the thin or edge tracts.

So his testimony was that net drainage was not *away* from the wells of Appellants Pickens et al. but *toward* them because of (1) the difference in pressure and (2) the force of the water pushing the oil updip. He concluded that the 50–50 formula more nearly gave all the owners an equal opportunity to produce their in-place reserves. He doubted that even under that

formula the edge wells would come even close to producing what was considered to be originally in place because the oil is being pushed past them, updip.

The witness Harold Dixon agreed that the water is increasing in sufficient quantities to move the oil updip to the thicker tracts. He testified that water is presently moving into the field. In his opinion, for the wells on the thin sections to be able to produce the recoverable oil under them, they should have an opportunity to produce their oil before the water pushes the oil updip. The 50–50 formula, he said, affords that opportunity, and would result in allowing the thicker tracts (of Appellants Pickens et al.) to recover more, even far more, than their original in-place reserves.

The witness Fred Oliver agreed that because of the pressure differential, there would be drainage toward the wells of Pickens et al. He disputed the testimony of Pickens' witness Gruy as to the disproportionate amount of ultimate recovery of oil in various portions of the field under the 50–50 formula. He testified that the thin tracts would not have opportunity to produce their in-place oil under a 100 per cent acre-foot formula and that the 50–50 formula gave each owner a reasonable opportunity to recover his in-place oil. He was unable to say that there was a water drive. On the other hand, he could not say that there was no water influx. The area of the aquifer was of sufficient size to affect the reservoir drive or mechanism. The indications are, he said, that there will be a partial water drive in the field, and the water drive will be definitely significant to the edge tracts. Some areas will lose in-place oil by reason of water influx. He would expect that a water drive would be readily apparent within four years. By that time, however, under a 100 per cent acre-foot formula, the wells on the thin tracts would be abandoned or their capacity reduced.

Appellees' most positive expert witness was Pat Kelly, a petroleum engineer. Because he was an employee of the Commission and had heard the evidence in this case as a Commission examiner, his testimony was objected to. The admissibility of his testimony is the subject of discussion later herein. He was permitted to testify as to what he knew as an expert and not as to what he had heard as an examiner.

Kelly testified that water was unquestionably moving into the field at this time. He did not know the extent (degree or speed) of the encroachment but "We . . . know that it is encroaching. . . . It is known right now that there is water encroachment in the field." The eminence of the water encroachment, he said, put the wells on the thinner tracts in jeopardy of abandonment before the recovery of the in-place oil beneath those tracts. "The watering out of wells that are in close proximity to water is further conclusive proof of a water drive." A 100 per cent

acre-feet formula would, he said, aggravate the water encroachment. Under it, the thinner tracts would be severely drained. He further objected to the 100 per cent acre-foot formula because the reservoir was not homogeneous. There are many variables and unknowns within it, such as structure, pressure, permeability and porosity; and the 50 per cent acreage factor in the formula "balanced against the unknowns." It was his opinion that the thinner tracts underlain by water should be permitted to produce at a higher relative rate because this would give them a greater chance to produce their in-place reserves.

While as stated there is a mass of evidence in this case, some of which is conflicting, and much of which would have supported the Commission if it had entered a different order, the foregoing constitutes substantial competent evidence to support this proration order of the Commission. There was an abundance of testimony that under the Commission's formula, each operator would have the opportunity to recover his in-place oil reserves. This Court held in the Quitman Field case [3] that in a Rule 37 case (involving a permit to drill a well on a small tract), the landowner is entitled to a fair chance to recover the oil and gas in and under his land or its equivalent in kind to prevent confiscation of his property. But in determining the validity of a field-wide proration order, the landowner is not wholly restricted to a recovery of reserves underlying his land. The test in that case (which is this case) is whether he has an opportunity to produce his fair share of the minerals in the reservoir. Railroad Commission v. Shell Oil Co., 380 S.W. 2d 556 at 560, [20 O&GR 888] (Tex. 1964).

While the Appellants' witness Gruy testified that Appellants would suffer uncompensated drainage under the Commission's formula, there was an abundance of competent testimony that the net drainage was *toward* the Appellants' portion of the field, not only because of water encroachment but because of the difference in pressure. Hence the facts of this case are distinguishable from the Normanna and Port Acres cases (supra, footnotes 1 and 2) where the evidence was undisputed that there would be enormous amounts of uncompensated drainage from the large tracts in question to the small town-lot wells. The evidence in those cases as well as in Railroad Commission v. Shell Oil Co., supra, footnote 3, was that the wells on the small tracts would depend for their production as much as 85 per cent on oil or gas drained from under other tracts. There is competent testimony here that there would be little if any *drainage toward the edge wells which did not have a thick sec-*

[3] Railroad Commission v. Shell Oil Co., 380 S.W. 2d 556, [20 O&GR 888] (Tex. 1964). See also Railroad Commission v. Williams, 356 S.W. 2d 13 at 136, [16 O&GR 177] (Tex. 1962) as to Rule 37 cases.

tion of oil-bearing sand or rock; i.e., those wells which did not have as many acre-feet as those wells in the center.

This Court has taken note before that oil moves to acres of low pressure and that drainage is from areas of high pressure to areas of low pressure. Railroad Commission v. Manziel, 361 S.W. 2d 560, [17 O&GR 444] (Tex. 1962). In that case as oil was produced, the bottom-hole pressure dropped from 2,650 pounds per square inch to an average of 371 pounds p.s.i. Water was forced into the strata from the surface in order to produce the oil that would otherwise be lost. Here in the edge portions of the field, as oil was produced, the pressure did not substantially decline as it did in Manziel. This, and other things, led the petroleum engineers to conclude that the pressure in the wells was being sustained by the intrusion of water from the aquifer which was next to and below much of the field. This Court, in Manziel, noted that pressure was greatest in the Whelan Brothers-Vickie Lynn Unit, and hence, "It stands to reason that under these conditions, the drainage from the Whelan Brothers-Vickie Lynn Unit will continue." 361 S.W. 2d at 573. Similarly, we said in the Port Acres case, "That is to say that since the gas in a continuous reservoir will flow to a point of low pressure the landowner is not restricted to the particular gas that may underlie his property . . .." 357 S.W. 2d at 375, [16 O&GR 788].

Moreover, there is an acceptable reason for allowing the thinner tracts with fewer acre-feet to produce at a higher rate. As set out above, there is evidence that as the oil is withdrawn from the entire field (not just the edge tracts), water rises or comes into the thin or outside areas. This does two things: it cuts down on the recoverable oil in those tracts, and it pushes oil updip toward the thick tracts. If this oil is not recovered before that happens, it is lost to the owners of that tract. Their correlative rights are not protected.

In the Normanna, Port Acres, and Quitman Field cases,[4] this Court struck down proration formulas having a substantial "per well" factor. Here there is none. Moreover, even in those cases, this Court did not hold that a per well factor made the proration formula invalid per se. In the Quitman Field case, we said, "The Commission is not enjoined from adopting any formula which provides less than a 50% well factor . . .." 380 S.W. 2d at 561. The Court did not tie the hands of the Commission, and we do not tie them here.

---

[4] Atlantic Ref. Co. v. Railroad Commission, 346 S.W. 2d 801, [14 O&GR 362] (Tex. 1961) (Normanna Field); Halbouty v. Railroad Commission, 357 S.W 2d 364, [16 O&GR 788] (Tex. 1962) (Port Acres Field); and Railroad Commission v. Shell Oil Co., 380 S.W. 2d 556, [20 O&GR 888] (Tex. 1964) (Quitman Field).

Even if it be conceded that Pickens et al. will suffer some injury, that alone is not enough to invalidate the order. "When the orders are supported by evidence . . . the fact that the application of the order has resulted in economic loss to some does not warrant a finding that there has been a deprivation of property without due process of law." Railroad Commission v. Manziel, 361 S.W. 2d 560 at 565, [17 O&GR 444] (Tex. 1962).

On the problems of due process and confiscation, the question of whether a proration schedule based on factors other than acre-feet of recoverable oil would wrongfully deprive a person of his property was before the United States Supreme Court in Railroad Commission of Texas v. Rowan & Nichols Co., 310 U.S. 573 (1940). The Commission's East Texas proration formula then provided that a [good] well could daily produce 3.2 per cent of its hourly potential. This resulted in an allowable of about 22 barrels per day per well for the good wells with the best reserves in place. But of the total number of barrels allowed to be produced from the field, about 73 per cent of the total oil produced came from wells which were exempt from the proration formula because they were "marginal wells." Each of these marginal wells was permitted to produce up to 20 barrels per day. It was contended that the proration formula failed to give sufficient weight to the reserves in place, particularly the wells in the deep and rich portions of the field. The contention before the United States Supreme Court is set out in the opinion:

> "Only an allocation based upon acre-feet of sand or its equivalent would be a reasonable means of measuring the oil in place beneath respondent's leases; and any formula failing to do this takes respondent's property without due process of law." 310 U.S. at 578.

The lower federal courts struck down the order, but the Supreme Court reversed. It held that the proration of oil upon a fair basis was a matter for the administrative bodies and not for the judiciary. "A controversy like this always calls for fresh reminder that courts must not substitute their notions of expediency and fairness for those which have guided the agencies to whom the formulation and execution of policy have been entrusted." 310 U.S. at 580–81. The force of the opinion by Justice Frankfurter is magnified by the dissent which says that an order not based on in-place reserves amounts to a confiscation of property.

The above case was followed in Railroad Commission of Texas v. Rowan & Nichols Oil Co., 311 U.S. 570 (1941). The Court there said, "Thus it is that a production formula dependent ı current reserves of oil in place—a consideration which

greatly influenced the court below [in striking down the order] and was urged before us—contains elements of unfairness to wells on the edge of the field by disregarding the migration of oil from west to east." 311 U.S. at 574.

In Railroad Commission v. Humble Oil & Ref. Co., 193 S.W. 2d 824 (Tex.Civ.App. 1946, n.r.e.), the Commission's proration order for the Hawkins Field was based on a formula of 50 per cent for the well and 50 per cent for surface acreage. It was upheld as against many of the contentions advanced by Appellants here. Judge McClendon stated that "It has never been held that recoverable reserves constitutes the only factor to be considered in determining the validity of a proration order." 193 S.W. 2d at 833. The evidence there was that a formula based only on reserves (acre-feet) would be impractical. That opinion was affirmed by the United States Supreme Court. Humble Oil & Ref. Co. v. Railroad Commission of Texas, 331 U.S. 791 (1947).

In the Port Acres case, it was proposed that the proration formula be based exclusively on net acre-feet. Part of the Commission's order appealed from stated: " 'The Commission further denied your [Halbouty's] application for an allocation formula based on net acre feet . . ..' " 357 S.W. 2d at 367. While the Court struck down the particular formula with the large "per well" factor in it, the Court did not direct or even hint that a 100 per cent acre-foot formula would be the only acceptable one. Instead, the Court held:

> "We fully appreciate the thorny problem that the Commission has in this matter of proration among the hundreds of fields under their supervision with different characteristics and the diverse conflicting interests, views and opinions, but we are confident that with the trained personnel at their disposal a much nearer approximation can be made, giving to all parties an opportunity to produce a fair share of the minerals underlying the field with ratable allowables that will be more nearly equitable than appeals in the case before us." 357 S.W. 2d at 375–76.

The Quitman Field opinion pointed out (380 S.W. 2d at 560) that the Commission has been directed by the Legislature to consider many factors (not just reserves). A proration statute specifically lists surface acres as a consideration. Article 6008, § 13 V.A.C.S.

This Court has taken the position that it is not the function of the Court to substitute itself for the Commission in determining the wisdom or advisability of a particular order. The power to regulate the production of oil and gas has been delegated by the Legislature to the Commission. The Court will not usurp that authority. It will not invalidate an order of the Com-

mission because some other order might be thought by the Court to be better or more equitable. Railroad Commission v. Shell Oil Co., 139 Tex. 66, 161 S.W. 2d 1022 at 1029 (1942). The Commission's order will be sustained if it is reasonably supported by substantial evidence. Railroad Commission v. Mackhank Pet. Co., 144 Tex. 393, 190 S.W. 2d 802 (1945). Our holding is that this order of the Commission is reasonably supported by substantial evidence.

The Order Is Not Invalid as Compelling Unitization

Appellants Pickens et al. also here attack the order on the ground that it is an attempt on the part of the Commission to require forced pooling or unitization of the field. The argument is that the Commission is not authorized to force or require pooling; and it has sought to do so by indirection what it could not do directly. The assertion amounts to a charge that the Commission did not make a good faith independent effort to fairly prorate the oil but abdicated its governmental function to the field operators by blindly adopting their proposals. We are unable to agree with this assertion.

Appellants assert that there was not introduced before the Commission substantial evidence to support its order, particularly as to the water drive. The assertion is not a valid objection to the order. The record made before the Commission is not before us, and no attempt was made to introduce it into evidence. As this Court said in Railroad Commission v. Shell Oil Co., 139 Tex. 66, 161 S.W. 2d 1022 (1942), "Whether the agency heard sufficient evidence is not material. In fact, the evidence heard by the agency is not per se admissible upon the trial in the district court." 161 S.W. 2d at 1030.[5]

There was no evidence of any purpose or design on the part of the Commissioners to adopt any formula which would force Pickens or anyone else to pool his or their production. No small tracts are involved. The units of production are 160 acres, and each well is capable of producing the oil under its tract. It is not asserted that anyone must pool his land with that of others to recover the minerals thereunder because of the cost of drilling a well, or for any other reason, as was pointed out as one of the grounds for the dissents in the Normanna and Port Acres cases. The fact that persons or corporations owning 88 or 92 per cent of the production, after arguing among them-

[5] Though both sides objected from time to time about what evidence the Commission heard, and the objections were sustained, there was in *fact evidence from Appellants'* witness Gray that Phillips Petroleum Company had introduced evidence before the Commission as to the water drive.

selves, had been able to agree to the 50–50 formula which they recommended to the Commission, does not prove a relinquishment of authority by the Commission to any one.[6a]

Appellants Pickens et al. say that this conclusion must be (conclusively) inferred as a fact from these circumstances:[6b]

The evidence is that soon after the discovery of this field, various operators recognized that ultimately a secondary recovery program would be required to save great quantities of oil which would otherwise be left in the ground. Without such a program, they said, the field was expected to produce approximately 70 million barrels of oil. With a program of secondary recovery, an additional 130 million barrels could be recovered.

A secondary recovery program cannot be confined to particular tracts. It can be carried out with less complications and with greater ease if the entire field is unitized. But no one, under the present state of the Texas law, can be required to unitize his tract against his will, or to participate in a secondary recovery program.

Committees and subcommittees were formed among the operators to study the field and its problems. All the operators, including Appellant Pickens, were invited to attend the meetings. Mr. Gruy ultimately did attend meetings where he represented Pickens. The factual basis for a major exhibit prepared for this trial by Gruy was taken from the files of the committee which files were open to him.

The various producers had different selfish interests and different problems of production. Some were over thin tracts and others, including Appellee Hunt Oil Company (which had more acre-feet of production than anyone in the field) and Appellant Pickens, were over thick tracts. Hunt Oil Company was elected to head the main committee.

The majority of the committee decided that it would, in the future, recommend to the Commission that the field be unitized; and steps were taken in the hope of ultimately bringing about a voluntary unitization. At the time of the hearing before the Commission on this proration order, owners representing 88 per cent of the production, as a separate and independent matter, had agreed to a voluntary unitization of the field. Pickens et

---

[6a] No question regarding the anti-trust laws is here raised or passed upon.

[6b] Our disposition of this point makes it unnecessary to write upon the question of our jurisdiction to consider, on direct appeal, implied [or express] findings of fact made by the trial court. It has generally been regarded that this Court could consider only questions of law, and is without power to make or overturn findings of fact, except on the basis of "no evidence," "no substantial evidence," or the converse thereof.

al. had not. At the time of the hearing and at the time of trial, the proposal for voluntary unitization had not been presented to the Commission. The Commission's 50–50 formula makes no reference to unitization.

The same unofficial committee argued within itself over the most desirable proration formula. There were different opinions as to the best formula. As a result of what was regarded as an equitable compromise within the committee, the 50–50 proration formula was recommended. In making the recommendation it considered the structure of the field, permeability, porosity, pressure, where the water levels were, water drive, as well as acre-feet and surface acres. Evidence to support that formula was presented to the court. Some of the exhibits had been originally prepared by members of the committee for the consideration of the committee. The committee thought the 50–50 formula would be desirable for a period of 13 years. Thereafter a 100 per cent acre-foot formula would be desirable. At the time of the hearing before the Commission, the ownership of 88 per cent of the field's production approved of the formula; and by the time of trial, 92 per cent had approved.

Appellees assert that if this field is ultimately repressured by agreement of owners of 92 per cent of the production Pickens et al. will still be in an advantageous position on the structure and will be greatly benefited. They will be able to continue to produce on the basis of the Commission's proration order. Pickens will still recover, they say, more oil under the 50–50 formula, if the field is subject to secondary recovery, than is recoverable under his tracts by the ordinary or primary means.

The Commission did enter the 50–50 formula as the majority of the operators recommended. There is evidence that this formula will encourage unitization. From this, Appellants Pickens et al. say that as a matter of law the 50–50 order is invalid because it forces pooling. We cannot agree.

In promulgating a proration formula, the Commission is acting prospectively. Its actions are legislative in character. Since the earliest days of the oil industry, it has been customary for interested people to recommend orders to the Commission. The Yates Field was operated by an advisory committee before the Commission was given the power to prorate production. See Standard Oil Co. v. Railroad Commission, 215 S.W. 2d 633 at 634 (Tex.Civ.App. 1948, n.r.e.). There the operators employed an expert to prepare rules, and requested the Commission to adopt them. It did.

It is not improper for interested persons or groups to propose particular legislative orders. Similar action is common before the Legislature itself. It is unnecessary here for us to say that the courts are never interested in the motives of an administra-

tive body while it is acting in a legislative capacity under delegated powers. Here there is simply no evidence of any sort of abdication on the Commission's part or a delegation of its powers to anyone. There is no evidence that the Commission disregard the engineering and geological data available to it and entered the order just because some operators recommended it. The question is not one of unitization or pooling. That question was not before the Commission and is not before us. The question here is whether the order which the Commission entered, when tested by the usual rules, is or is not reasonably supported by substantial evidence. We have held that it is. It is a valid exercise of the police power of the Commission to protect correlative rights under our statutes.

Evidence Adduced after Date of Commission's Order

Appellants Pickens et al. contend that the trial court erred in admitting evidence of tests made, or other evidence discovered, after the date of the Commission's proration order. They cite the familiar rule that the Commission's order is to be tested by the conditions as they existed at the time the Commission acted. Magnolia Pet. Co. v. New Process Production Company, 129 Tex. 617, 104 S.W. 2d 1106 (1937); Railroad Commission v. Magnolia Pet. Co., 130 Tex. 484, 109 S.W. 2d 967 (1937); Cook Drilling Co. v. Gulf Oil Corp., 139 Tex 80, 161 S.W. 2d 1036 (1942).

The order in question was promulgated on March 6, 1963. Intervenor Hunt Oil Company, an appellee, tendered its Exhibit #1 which was based on reservoir conditions to August 28, 1963. It was a structural isopach map, "On Top of James [Lime] Porosity," and showed the portion of the field underlain by water. Exhibit #1 of Cities Service Oil Company was also an isopach map on top of the Fairway (James Lime) Field to show the area of the field underlain by water and the aquifer around the field. This exhibit was based on a map made in 1961 but which had been brought "up to date" down to August 1963. Hunt's Exhibits #2 and #3, objected to for the same reason, showed, down to August and November 1963, respectively, the cumulative oil production and the "water cut-percentage" (percentage of water produced per thousand barrels of oil) in particular wells. Part of the testimony of the witnesses Dixon, Latimer, and Kelly was based on these exhibits. There were other exhibits similarly objected to.

It was stipulated during the trial that "all geological or engineering data . . . offered by any expert witness shall not be objected to on the ground of hearsay evidence," or on the ground that it was not properly authenticated. Objection could be made on the grounds of materiality or relevance.

Appellants took the position that evidence of conditions, or evidence obtained, after March 3, 1963, was irrelevant and immaterial.

The trial court admitted the first of these exhibits with the following ruling:

> "I will overrule the objection [of counsel for Pickens et al.] with the following qualification: That I will only consider it if it shows anything that was in existence, or tends to show anything that was in existence, at the time of the order of the Commission, whether it was discovered later, or platted later, studied later or the results showed later. . . .
>
> "Now that may be a little complicated, but I felt that I must qualify it to that extent. The limitation in so far as information obtained, experiments and results of experiments made since the Railroad Commission order, is admissible in so far as it might show, or tend to show, what was actually in existence, or conditions in existence at the time of the Railroad Commission order, whether they were then known or not."

There was substantially this same ruling on the admissibility of other evidence of the same nature.

The trial court's ruling was correct. Lone Star Gas Co. v. State, 137 Tex. 279, 153 S.W. 2d 681 at 700 (1941). Many of the basic "conditions" which were geologically in existence in the oil field at the time the Commission acted may have existed for a million years; and the fact that they were discovered, or evidence of the condition was adduced, after the Commission's order would not render the evidence inadmissible. It is, of course, possible for conditions to change within the field; and it would not be entirely fair to the Commission to judge its orders by conditions which have changed since its order. Here, however, the trial court admitted the geological evidence which showed, or which tended to show, what the conditions were as of the time of the order, and what the Commission might reasonably have anticipated to occur as a result of those conditions.

While no particular point has been made of it in our opinions, this Court has considered geologic evidence which was adduced or discovered after the entry of the Commission's order. In Railroad Commission v. Manziel, supra, for example, the order was dated August 15, 1960. This Court's opinion sets out the results of tests made thereafter on September 1, 1961. See 361 S.W. 2d at 573. Similarly in the Port Acres case, the order was dated August 18, 1958. The Commission refused to reconsider the order on July 6, 1959. This Court in its opinion refers to evidence as to uncompensated drainage as of April 1, 1960 (357 S.W. 2d at 371), and of tests made in October 1960 as to comparative production among wells (See 357 S.W. 2d at

372, Footnote 1). As reflected by the majority and dissenting opinions in the Normanna case, the Bright & Schiff well which was under attack had not even been drilled, or the permit for its drilling issued, at the time the Commission issued its proration order for the field.[7] Yet the validity of the Commission's field-wide proration order turned in part on what that particular well would produce in the future compared to the in-place reserves which its lease was supposed to have.

In all of these proration cases, the Court has considered this type of evidence for its value in showing, or tending to show, what the *conditions* were when the Commission acted, and how they might reasonably be expected to develop in the future, even though the tests to verify, vel non, the existence of those conditions may have been conducted at some later date. In passing, it is noted that the tests here were made within a relatively brief time after the Commission's order.

Admissibility of the Evidence of the Witness Pat Kelly

The defendant in the trial court, the Railroad Commission, tendered as its witness Mr. Pat Kelly to defend its position. Kelly qualified as an expert in the field of petroleum engineering. His testimony was objected to (1) because Kelly had been the trial examiner who took the testimony for the Commission when this matter was before the Commission; (2) because testimony received in the Commission's hearing is not per se admissible in the trial before the court, and (3) part of Kelly's testimony was based on tests made after the date of the Commission's order. This last objection, having been considered above, will not be again noticed.

As to the objection that Kelly had been an examiner and hence was not competent to testify, Appellants Pickens et al. had no authorities to present to the trial court, and they cite none here. In ruling upon the admissibility of Kelly's testimony, the trial court said that he would consider Kelly's testimony which was based upon what Kelly knew as an expert. With regard to the second objection, the court said, "I will not consider over objection matters which are based solely on the ground that is [the evidence] was before the Commission."

[7] 346 S.W. 2d at 804. The proration orders were dated December 1957 and February 1958. 346 S.W. 2d at 802. Bright & Schiff's permit to drill was dated December 1958. 346 S.W. 2d at 816. There was considerable delay in the completion of the well because Atlantic Refining Company constructed a warehouse at the place where the driller needed to place his machinery. This resulted in injunction litigation ending in this Court. Atlantic Ref. Co. v. Bright & Schiff, 321 S.W. 2d 167, [10 O&GR 566] (Tex. Civ. App. 1959, n.r.e.). The estimates of future production appear in our Normanna opinion in 346 S.W. 2d at 803 and 804.

The fact that Kelly was an examiner for the Railroad Commission in this matter would not per se disqualify him as a witness for the Commission. The Commission, of course, is entitled to defend its order; and if Kelly otherwise qualified as an expert, he could testify to what he knew as an expert. There is precedent in this regard. In the "Flare Gas" case, Railroad Commission v. Sterling Oil and Ref. Co., 147 Tex. 547, 218 S.W. 2d 415 (1949), this Court quoted the testimony of but two witnesses. They were Railroad Commissioners Murray and Thompson. Commissioner Murray testified as a petroleum engineer. Commissioner Thompson simply testified as a Commissioner in defense of the Commission's order. Based on the testimony of these two witnesses, this Court held the order to be reasonably supported by substantial evidence.

In other cases involving the Commission's orders, employees of the Commission have testified.[8] Similar holdings have been made with regard to permitting a Commissioner in a condemnation case to testify as an expert upon the trial as to the value of the property taken. City of Houston v. Schorr, 231 S.W. 2d 740 (Tex.Civ.App. 1950, wr.dism'd); Schwab v. County of Bexar, 366 S.W. 2d 952 (Tex.Civ.App. 1963, n.r.e.). Without writing on the point, this Court considered such evidence in its opinion in Texas Electric Service Co. v. Campbell, 161 Tex. 77, 336 S.W. 2d 742 at 743 (1960).

Accordingly, we hold that the trial court did not err in admitting the evidence complained of. As above indicated, we also hold that the proration order in question for the Fairway (James Lime) Field is reasonably supported by substantial evidence and is valid. The judgment of the trial court is affirmed.

DISCUSSION NOTES

Allowables: Oil Allocation Formula Based 50% on Surface Acreage-50% on Acre Feet Supported by Substantial Evidence.

This case demonstrates the continued vitality of the substantial evidence rule in sustaining the presumptive validity of the Railroad Commission's proration orders in situations

[8] Standard Oil Company of Texas v. Railroad Commission, 215 S.W. 2d 633 (Tex. Civ. App. 1948, n.r.e.), involving the proration of oil in the Yates field, where the Court's opinion sets out and comments on the testimony of Mr. Jack Baumel, then the Director of the Commission's Oil and Gas Division; Railroad Commission v. Humble Oil & Ref. Co., 193 S.W. 2d 824, 829, 831 (Tex.Civ.App. 1946, n.r.e.), where Mr. Baumel again testified; and Phillips Petroleum Co. v. Railroad Commission, 341 S.W. 2d 523, 14 O&GR 296 (Tex. Civ.App. 1960, n.r.e.).

where the order reasonably (though necessarily without perfect certainty) conforms with the Texas Supreme Court's command in that series of cases commencing with the Normanna decision in 1961 that owners of interests are to be accorded an opportunity to produce their fair shares. See discussion notes, 16 O&GR 813. Not answered is the point there discussed as to whether ownership in place or rule of capture now is basic property law in Texas. This decision can be interpreted as a proper police power conservation order modification imposed on either concept, though it is submitted that opportunity to produce, not relating to particular oil in place as this decision makes clear, more closely accords with a rule of capture basic law approach.

One wonders at what point, or if ever, discounted values might have to be taken into account in a situation like this. Obviously the edge owners of thinner sections gained some advantage here, for the total oil to which they are fairly entitled necessarily will be produced sooner than the total shares fairly attributable to the better interior acreage. This complication may have to be faced one day as a refinement of the *fair* opportunity concept.

Concerning discussion of ownership in place or rule of capture in Texas, see discussion notes at 20 O&GR 887. Also see the cases at 20 O&GR 880 and 888.

W. J. F.

◆ ◆ ◆ ◆ ◆ ◆

STREET et al. v. SINCLAIR PIPELINE COMPANY

Texas Court of Civil Appeals, Waco
January 14, 1965—No. 4299
386 S.W. 2d 350

Easement: Construction of Instrument Granting Pipeline Right of Way Construed To Deny Owner of Servient Estate the Right To Require Relocation of Line in Order That He May Recover Gravel Beneath the Easement.

Sinclair owned an easement across Street's fee simple estate under a grant providing that Sinclair would pay for all damages caused by its *operation* of the pipeline. Street mined all of the gravel from the tract except that underlying the pipeline. Street brought suit seeking a mandatory injunction requiring Sinclair to relocate the lines so that the underlying gravel could be mined or alternatively for damages. The lower court held for Sinclair, and Street appealed. Held: Affirmed. The owner's right to remove gravel is subservient to the estate of the easement holder. The damage clause in the grant

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1937
Order No. R-1670

APPLICATION OF THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER CONSOLIDATING THE SPECIAL RULES GOVERNING THE SEVEN PRORATED GAS POOLS IN NORTHWEST NEW MEXICO, AND TO CONSIDER CONSOLIDATING THE SPECIAL RULES GOVERNING THE SIX PRORATED GAS POOLS IN SOUTHEAST NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on April 13, 1960, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of May, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That in the past the Commission has held numerous hearings and taken voluminous testimony from engineers, geologists, and other interested parties and entered many orders creating, delineating, spacing, prorating, and otherwise regula[illegible]. The Pools now designated the Blinebry, Crosby-Devonian, Eumont, Jalmat, Justis, Tubb, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, Tapacito-Pictured Cliffs, West Kutz-Pictured Cliffs, and Blanco Mesaverde Gas Pools in the interests of conservation, prevention of waste, and protection of correlative rights.

(3) That it has been found by the Commission that one well will efficiently and economically drain the area of the proration units set out in the Special Pool Rules in each of the several gas pools listed above.

(4) That the total producing capacity of the wells in each of these pools has been found to be greater than the market demand for gas produced from each of these pools.

(5) That prorationing has been instituted in each of these pools.

(6) That it is both feasible and desirable that the Special Pool Rules for the seven prorated gas pools in Northwest New Mexico be consolidated and that the Special Pool Rules for the six prorated gas pools in Southeast New Mexico be consolidated.

(7) That the following orders should be superseded:

Aztec-Pictured Cliffs Gas Pool	Ballard-Pictured Cliffs Gas Pool	Fulcher Kutz-Pictured Cliffs Gas Pool
R-46	R-846	748
R-565	R-846-A	R-59
R-565-A	R-967	R-565
R-565-C		R-565-A
R-565-D		R-565-C
R-614		R-565-D
R-620		R-614
R-697		R-620
		R-697

South Blanco-Pictured Cliffs Gas Pool	Tapacito-Pictured Cliffs Gas Pool	West Kutz-Pictured Cliffs Gas Pool
R-565	R-1193	R-46
R-565-A	R-1193-A	R-566
R-565-B		R-566-A
R-565-C		R-566-B
R-565-D		R-566-C
R-614		R-566-D
R-620		R-566-E
R-967		R-967

Blanco Mesaverde Gas Pool	Blinebry Gas Pool	Crosby Devonian Gas Pool
R-799	R-264-A	R-639
R-110	R-356	R-639-A
R-128	R-372	R-639-B
R-128-A	R-372-A	
R-128-B	R-464	
R-128-C	R-610-C	
R-128-D&E	R-610-D	
R-967	R-967	

Eumont Gas Pool	Jalmat Gas Pool	Justis Gas Pool
R-264-A	R-264-A	R-264-A
R-356	R-356	R-356
R-370	R-368	R-375
R-370-A	R-368-A	R-375-A
R-370-B	R-368-B	R-586-A
R-371	R-967	R-586-C
R-371-A		R-586-E
R-967		R-586-F
		R-967

Tubb Gas Pool

R-356
R-373
R-373-A
R-464
R-967

(8) That all provisions in the following orders relative to the regulation of gas wells in prorated gas pools should be superseded:

Blinebry Gas Pool	Eumont Gas Pool	Jalmat Gas Pool
R-264	R-264	R-264
R-610	R-520	R-520
R-610-A	R-520-A	R-520-A
R-610-B	R-767	R-553
	R-767-A	R-640
		R-663
		R-690

Justis Gas Pool	Tubb Gas Pool
R-586	R-264
	R-586
	R-586-B

IT IS THEREFORE ORDERED:

(1) That the following orders be and the same are hereby superseded:

Aztec-Pictured Cliffs Gas Pool	Ballard-Pictured Cliffs Gas Pool	Fulcher Kutz-Pictured Cliffs Gas Pool
R-46	R-846	748
R-565	R-846-A	R-59
R-565-A	R-967	R-565
R-565-C		R-565-A
R-565-D		R-565-C
R-614		R-565-D
R-620		R-614
R-697		R-620
		R-697

South Blanco-Pictured Cliffs Gas Pool	Tapacito-Pictured Cliffs Gas Pool	West Kutz-Pictured Cliffs Gas Pool
R-565	R-1193	R-46
R-565-A	R-1193-A	R-566
R-565-B		R-566-A
R-565-C		R-566-B
R-565-D		R-566-C
R-614		R-566-D
R-620		R-566-E
R-967		R-967

Blanco Mesaverde Gas Pool	Blinebry Gas Pool	Crosby Devonian Gas Pool
R-799	R-264-A	R-639
R-110	R-356	R-639-A
R-128	R-372	R-639-B
R-128-A	R-372-A	
R-128-B	R-464	
R-128-C	R-610-C	
R-128-D&E	R-610-D	
R-967	R-967	

Eumont Gas Pool

R-264-A
R-356
R-370
R-370-A
R-370-B
R-371
R-371-A
R-967

Jalmat Gas Pool

R-264-A
R-356
R-368
R-368-A
R-368-B
R-967

Justis Gas Pool

A-264-A
R-356
R-375
R-375-A
R-586-A
R-586-C
R-586-E
R-586-F
R-967

Tubb Gas Pool

R-356
R-373
R-373-A
R-464
R-967

(2) That all provisions in the following orders relative to the regulation of gas wells in prorated gas pools be and the same are hereby superseded:

Blinebry Gas Pool	Eumont Gas Pool	Jalmat Gas Pool
R-264	R-264	R-264
R-610	R-520	R-520
R-610-A	R-520-A	R-520-A
R-610-B	R-767	R-553
	R-767-A	R-640
		R-663
		R-690

Justis Gas Pool	Tubb Gas Pool
R-586	R-264
	R-586
	R-586-B

(3) That the Special Pool Rules for the seven prorated gas pools in Northwest New Mexico, and the Special Pool Rules for the six prorated gas pools in Southeast New Mexico, be and the same are hereby consolidated as hereinafter set forth, in the following "Rules and Regulations Governing Prorated Gas Pools in New Mexico."

CASE No. 1937
Order No. R-1670

RULES AND REGULATIONS

GOVERNING

PRORATED GAS POOLS IN NEW MEXICO

* * *

Table of Contents

CASE No. 1937
Order No. R-1670

I. GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NORTHWESTERN NEW MEXICO

(See Special Pool Rules in each pool for orders applicable to those pools only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 1: Any well drilled to the producing formation of a gas pool regulated by this order and within said pool or within one mile outside the boundary of that pool, and not nearer to nor within the boundaries of another designated pool producing from the same formation, shall be spaced, drilled, operated, and prorated in accordance with the regulations in effect in that pool.

RULE 2: Except as provided in the Special Pool Rules, after the effective date of this order each well drilled or recompleted on a standard gas proration unit within a gas pool regulated by this order shall be located at least 990 feet from the outer boundary line of the proration unit, provided however, that a tolerance of 200 feet is permissible.

RULE 3: The Secretary-Director of the Commission shall have authority to grant exception to the requirements of Rule 2 where application has been filed in due form and such exception is required because of conditions resulting from previously drilled wells in the area or the necessity for exception is based upon topographic conditions.

Applicants shall furnish all operators of leases offsetting the lease containing subject well, a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all such operators, together with a written statement that all such operators have been properly notified by registered mail. The Secretary-Director of the Commission shall wait at least 20 days before approving any such exception, and shall approve such exception only in the absence of objection of any offset operators. In the event any operator objects to the exception, the Commission shall consider the matter only after proper notice and hearing.

NOTE: Rule 3 does not apply to Blanco Mesaverde or Tapacito-Pictured Cliffs Gas Pools - See Special Pool Rules, Rule 2.

RULE 4: The provisions of Statewide Rule 104, Paragraph (k), shall not apply to the gas pools regulated by this order.

RULE 5(A): The acreage allocated to a gas well for proration purposes shall be known as the gas proration unit for that well. For the purpose of gas allocation in the gas pools regulated by this order, a standard proration unit shall consist of contiguous surface acreage and shall be substantially in the form of a square in pools having 160-acre standard proration units, and substantially in the form of a rectangle in pools having 320-acre standard proration units, and shall be a legal subdivision of the U. S. Public Land Surveys (quarter-section or half-section, as applicable). A proration unit shall be considered to be a standard gas proration unit when it meets the above requirements and consists of acreage within the appropriate tolerance set out below:

Standard Proration Unit	Acreage Tolerance for Standard Unit
160 acres	158-162 acres
320 acres	316-324 acres

Any gas proration unit containing acreage within the appropriate tolerance limit above shall be considered to contain the number of acres in a standard unit for the purpose of computing allowables.

RULE 5(B): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The proposed non-standard proration unit consists of less acreage than a standard proration unit, or where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys.

2. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.

3. The non-standard gas proration unit lies wholly within a single governmental section.

4. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the designated gas pool.

5. The applicant presents written consent in the form

of waivers from:

(a) All operators owning interests outside the non-standard gas proration unit but in the same section in which any part of the non-standard gas proration unit is situated, and

(b) All operators owning interests in acreage offsetting the non-standard gas proration unit.

6. In lieu of subparagraph 5 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. (This notification to offset operators should consist of the same information that is furnished to the Commission). The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit. (See additional requirement for West Kutz-Pictured Cliffs Gas Pool)

B. NOMINATIONS AND PRORATION SCHEDULE

RULE 6(A): At least 30 days prior to the beginning of each gas proration period, the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from each of the gas pools regulated by this order. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 6(B): The term "gas purchaser" as used in these rules shall mean any "taker" of gas either at the wellhead or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination in accordance with Rule 6(A) and Rule 7(A) of this order.

RULE 7(A): In the event a gas purchaser's market shall have increased or decreased, he may file with the Commission prior to the 10th day of the month a "Supplemental Nomination" showing the amount of gas he actually in good faith desires to purchase during the ensuing

proration month from the gas pools regulated by this order. The Commission shall hold a public hearing between the 13th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month, along with such other information as is necessary to show the allowable-production status of each well on the schedule. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

RULE 7(B): The Commission shall include in the proration schedule the gas wells in the gas pools regulated by this order delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasinably capable of handling the type of gas produced by such well.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The total allowable to be allocated to each gas pool regulated by this order each month shall be equal to the sum of the "Preliminary" or "Supplemental Nominations" (whichever is applicable) for each pool, together with any adjustment which the Commission deems advisable. A monthly allowable shall be assigned to each well entitled to an allowable in each pool by allocating the pool allowable among all such wells in accordance with the procedure set out in Rule 9(C).

RULE 8(B)1: No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed, together with a plat (C-128) showing acreage attributed to said well and the locations of all wells on the lease, and

2: Unless a deliverability test taken in conformance with the provisions of Order R-333-C and D as amended by R-333-E has been submitted, except as provided in Rule 10(C) below.

RULE 8(C): Allowables to newly completed gas wells shall commence:

1. On the date of connection to a gas transportation facility, such date to be determined from an affidavit furnished to the Commission (1000 Rio Brazos Road, Aztec, New Mexico) by the purchaser, or

2. The latest filing date of Form C-104, C-110, and C-128, or

3. A date 45 days prior to the date upon which the well's initial deliverability and shut-in pressure test is reported to the Commission on Form C-122-A in conformance with the provisions of Order R-333-C and D as amended by Order R-333-E,

whichever date is the later.

RULE 9(A): The product obtained by multiplying each well's acreage factor by the calculated deliverability (expressed as MCF per day) for that well shall be known as the AD factor for that well. The acreage factor shall be determined to the nearest hundredth of a unit by dividing the acreage within the proration unit by 160 in pools with 160 acre standard proration units and by 320 in pools with 320 acre standard gas proration units; however, the acreage tolerances provided in Rule 5(A) shall apply. The "AD Factor" shall be computed to the nearest whole unit.

RULE 9(B): The allowable to be assigned to each marginal well shall be equal to the maximum production of said well during any month of the preceding gas proration period except as provided in the Special Pool Rules.

RULE 9(C): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the following manner:

1. Seventy-five percent (75%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. Twenty-five percent (25%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's acreage factor bears to the total acreage factor for all non-marginal wells in the pool.

RULE 9(D): Annual deliverability tests taken each year shall be used in calculating allowables for wells in the gas pools regulated by this order for the twelve month period beginning February 1 of the following year.

RULE 10(A): If, during a proration month, the acreage

assigned to a well is increased, the operator shall notify the Commission in writing (1000 Rio Brazos Road, Aztec, New Mexico) of such increase by filing a revised plat (Form C-128). The increased allowable assigned the gas proration unit for the well shall be effective on the first day of the month following receipt of the notification by the Commission.

RULE 10(B): A change in a well's deliverability due to retest or test after recompletion or workover shall become effective:

1. On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operators, or

2. A date 45 days prior to the date upon which a well's initial deliverability and shut-in pressure test is reported to the Commission on Form C-122-A in conformance with the provisions of Order R-333-C and D as amended by Order R-333-E, or

3. A date 45 days prior to the receipt and approval of Form C-104 by the Commission's office (1000 Rio Brazos Road, Aztec, New Mexico); (Form C-104 shall specify the exact nature of the workover or remedial work. If the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall also be filed in accordance with Rule 1103 of the Commission's Statewide Rules and Regulations);

whichever is later.

RULE 10(C): The calculated deliverability at the "deliverability pressure" shall be determined in accordance with the provisions of Order R-333-C and D, as amended by Order R-333-E.

The Secretary-Director of the Commission shall have authority to allow exceptions to the annual deliverability test requirement for marginal wells where the deliverability of a well is of such volume as to have no significance in the determination of the well's allowable. Application for such exception may be submitted in writing by the operator of the well and, if granted, may be revoked by the Secretary-Director of the Commission at any time by requesting the well to be scheduled and tested in accordance with Order R-333-C and D as amended by Order R-333-E.

RULE 11: After notice and hearing, the Commission may assign minimum allowables in order to prevent the premature abandonment of wells.

RULE 12: Except as provided in the Special Pool Rules, the full production of gas from each well, including drilling gas, shall be charged against the well's allowable regardless of the disposition of the gas; provided, however, that gas used in maintaining the producing ability of the well shall not be charged against the allowable.

D. BALANCING OF PRODUCTION

RULE 13: The dates 7:00 a.m., February 1, and 7:00 a.m., August 1, shall be known as balancing dates, and the periods of time bounded by these dates shall be known as gas proration periods.

RULE 14(A): Underproduction: Any non-marginal well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.

RULE 14(B): Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.

RULE 15(A): Overproduction: Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be made up during such succeeding period. Any well which has not made up the overproduction carried into a gas proration period by the end of such proration period shall be shut-in until such overproduction is made up.

RULE 15(B): Except as provided by the Special Pool Rules, if, at any time, a well is overproduced an amount equaling six times its current monthly allowable, it shall be shut-in during that month, and each succeeding month until the well is overproduced less than six times its current monthly allowable.

RULE 15(C): Allowable assigned to a well during any one

month of a gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been made up.

RULE 15(D): The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut-in upon a showing at public hearing after due notice that complete shut-in of the well would result in material damage to the well.

RULE 15(E): Any allowable accrued to a well at the end of a proration period due to the cancellation of underage and the redistribution thereof shall be applied against the overproduction carried into said proration period.

E. CLASSIFICATION OF WELLS

RULE 16(A): After the production data is available for the last month of each gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its allowable during at least one month of such preceding gas proration period may be classified as a marginal well, unless, prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified. However, a well which in any month of said proration period has demonstrated its ability to produce its allowable for said proration period shall not be classified as a marginal well.

(Not applicable to Tapacito - See Special Pool Rules).

RULE 16(B): The Secretary-Director may reclassify a marginal or non-marginal well at any time the well's production data, deliverability data, or other evidence as to the well's producing ability justifies such reclassification.

RULE 17: A well which is classified as a marginal well shall not be permitted to accumulate underproduction, and any underproduction accrued to a well prior to its classification as a marginal well shall be cancelled.

RULE 18: If, at the end of a proration period, a marginal well has produced more than the total allowable for the period assigned a non-marginal unit of like deliverability and acreage, the marginal well shall be reclassified as a non-marginal well and its allowable and net status adjusted accordingly.

RULE 19: A well which has been reworked or recompleted shall be classified as a non-marginal well as of the date

of reconnection to a pipeline until such time as production data, deliverability data, or other evidence as to the well's producing ability indicates that the well should be classified as a marginal well.

RULE 20: All wells not classified as marginal wells shall be classified as non-marginal wells.

F. REPORTING OF PRODUCTION

RULE 21(A): The monthly gas production from each well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 in accordance with Rule 1114 of the Commission's Rules and Regulations, so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas reported was produced. The operator shall show on such report what disposition has been made of the gas produced.

RULE 21(B): Each purchaser or taker of gas in each of the designated gas pools regulated by this order shall submit a report to the Commission, so as to reach the Commission on or before the 15th day of the month next succeeding the month in which the gas was purchased or taken.

RULE 21(C): Such report shall be filed on either Form C-111 or Form C-114 (whichever is applicable) with the wells being listed in approximately the same order as they are listed on the proration schedule.

RULE 21(D): Forms C-111 and C-114 referred to herein shall shall be submitted in triplicate, the original being sent to the Commission at Box 871, Santa Fe, New Mexico, the remaining copies being sent to 1000 Rio Brazos Road, Aztec, New Mexico and Box 2045, Hobbs, New Mexico, respectively.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the gas pools regulated by this order shall be flared or vented except as provided in the Special Pool Rules.

RULE 23: Failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Secretary-Director shall notify the operator of the well and the purchaser, in writing, of the date of allowable cancellation and the reason therefor.

RULE 24: All transporters or users of gas shall file gas well connection notices with the Commission as soon as possible after the date of connection or reconnection in accordance with the provisions of Rule 8(C) and 10(B), respectively.

(See Special Pool Rules for each pool for orders applicable to that pool only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

II. SPECIAL RULES AND REGULATIONS FOR THE AZTEC-PICTURED CLIFFS GAS POOL

(The Aztec-Pictured Cliffs Gas Pool was created March 15, 1950 and gas prorationing was instituted March 1, 1955)

A. WELL LOCATION AND ACREAGE REQUIREMENTS:

RULE 5(A): A standard gas proration unit in the Aztec-Pictured Cliffs Gas Pool shall be 160 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Aztec-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Aztec-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

III. SPECIAL RULES AND REGULATIONS FOR THE BALLARD-PICTURED CLIFFS GAS POOL

(The Ballard-Pictured Cliffs Gas Pool was created February 9, 1955 and gas prorationing was instituted October 1, 1956. The Otero-Pictured Cliffs and Canyon Largo-Pictured Cliffs Gas Pools were consolidated into the Ballard Pictured-Cliffs Gas Pool May 1, 1959. This pool also includes acreage that was formerly included in the Fulcher Kutz-Pictured Cliffs Gas Pool.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Ballard-Pictured Cliffs Gas Pool shall be 160 acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 12: Gas used on the lease shall not be charged against the allowable.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Ballard-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Ballard-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(Rule 25 does not actually appear as such in any of the existing pool rules.)

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

IV. SPECIAL RULES AND REGULATIONS FOR THE FULCHER KUTZ-PICTURED CLIFFS GAS POOL

(The Fulcher Kutz-Pictured Cliffs Gas Pool was created effective December 22, 1950 from a consolidation of the Fulcher Basin - Kutz Canyon Gas Pools. Gas prorationing was instituted March 1, 1955)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Gas Pool shall be 160 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Fulcher Kutz-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Fulcher Kutz-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

V. SPECIAL RULES AND REGULATIONS FOR THE SOUTH BLANCO-PICTURED CLIFFS GAS POOL

(The South Blanco-Pictured Cliffs Gas Pool was created May 20, 1952 and prorationing was instituted March 1, 1955.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the South Blanco-Pictured Cliffs Gas Pool shall be 160 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the South Blanco-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the South Blanco-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(Rule 25 does not actually appear as such in any of the existing pool rules.)

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VI. SPECIAL RULES AND REGULATIONS FOR THE TAPACITO-PICTURED CLIFFS GAS POOL

(The Tapacito-Pictured Cliffs Gas Pool was created April 18, 1956 and prorationing was instituted August 1, 1958.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: Wells shall be located at least 790 feet from the outer boundaries of the drilling tract and no closer than 25 feet from any quarter-quarter section line or subdivision inner boundary. The Secretary-Director shall have authority to grant exception without notice and hearing where the application has been filed in due form and where the following facts exist and the following provisions are complied with:

(A) The necessity for the unorthodox location is based on topographical conditions, and

(B) 1. The ownership of all oil and gas leases within a radius of 790 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, or

2. All owners of oil and gas leases within such radius consent in writing to the proposed location.

(C) In lieu of Paragraph (B) 2 of this Rule the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to drill an unorthodox location. The Secretary-Director of the Commission may approve the application if, after a period of twenty days following the mailing of said notice, no operator has made objection to the drilling of the unorthodox location.

RULE 5(A): A standard gas proration unit in the Tapacito-Pictured Cliffs Gas Pool shall be 160 acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 9(B): The allowable to be assigned to each marginal well shall be equal to the maximum production of said well during any month of the preceding six months.

RULE 12: Gas used on the lease shall not be charged against the allowable

D. BALANCING OF PRODUCTION

RULE 15(B): If at any time a well is overproduced in an

VI. SPECIAL RULES AND REGULATIONS FOR THE TAPACITO-PICTURED CLIFFS GAS POOL (CONT'D)

amount equalling six times its average monthly allowable for the last six months, it shall be shut-in during that month and each succeeding month until it is overproduced less than 6 times its average monthly allowable.

E. CLASSIFICATION OF WELLS

RULE 16(A): A well shall be classified as marginal if it has failed for six consecutive months to produce its average monthly allowable for the six months immediately preceding such reclassification provided such failure was not occassioned by curtailment to compensate for over-production, unless prior to such reclassification the operator or other interested party presents satisfactory evidence showing that the well should not be classified as marginal. However, a well shall not be classified as marginal if, during any one month of the six-month period, said well has demonstrated its ability to produce its six months average allowable.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Tapacito-Pictured Cliffs Pool, except that gas used for drilling purposes or for maintaining the productivity of a well, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Tapacito-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VII. SPECIAL RULES AND REGULATIONS FOR THE WEST KUTZ-PICTURED CLIFFS GAS POOL

(The West Kutz-Pictured Cliffs Gas Pool was created September 29, 1950 and prorationing was instituted March 1, 1955.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the West Kutz-Pictured Cliffs Gas Pool shall be 160 acres.

RULE 5(B): In order to qualify for exception to Rule 5(A) without notice and hearing a proposed non-standard gas proration unit in the West Kutz-Pictured Cliffs Gas Pool, in addition to the requirements of Rule 5(B) of the General Rules, may not exceed 2640 feet in length or width.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the West Kutz-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the West Kutz-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VIII. SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL

(The Blanco Mesaverde Gas Pool was created February 25, 1949 and prorationing was instituted March 1, 1955. The Blanco-Mesaverde Gas Pool now includes acreage that was formerly included in the LaPlata Mesaverde, Northwest LaPlata Mesaverde, South LaPlata Mesaverde, and the Largo Mesaverde Gas Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: Wells shall be located 990 feet from the outer boundary of either the Northeast or Southwest quarter of the section, subject to a variation of 200 feet for topographic conditions. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily increase drilling costs.

RULE 5(A): A standard gas proration unit in the Blanco-Mesaverde Gas Pool shall be 320 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Blanco-Mesaverde Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The general and special rules and regulations contained in this order pertaining to the Blanco-Mesaverde Gas Pool shall be limited in their application to the present 4200-5100 foot productive horizon where the productive sands are contained between the top of the Cliff House Sand and the base of the Point Lookout Sand of the Mesaverde.

RULE 26: Surface Pipe. The surface pipe shall be set to a minimum depth of 100 feet, and where shallow potable water-bearing beds are present, the surface pipe shall be set to such shallow potable water bearing beds and a sufficient amount of cement shall be used to circulate the cement behind the pipe to the bottom of the cellar. This surface casing shall stand cemented for at least 24 hours before drilling plug or initiating tests. The surface casing shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute

VIII. SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL (CONT'D)

satisfactory proof of a water shut-off. In lieu of the foregoing test, the cement job shall be tested by building up a pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling the plug. The Commission shall be notified at least 24 hours prior to the conducting of any test.

RULE 27: Production String. The production string shall be set on top of the Cliff House Sand with a minimum of 100 sacks of cement and shall stand cemented not less than 36 hours before testing the casing. This test shall be made by building up a pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory.

RULE 28: All cementing shall be done by the pump-and-plug method. Bailing tests may be used on all casing and cement tests, and drill stem tests may be used on cement tests in lieu of pressure tests. In making bailing test, the well shall be bailed dry and remain approximately dry for thirty minutes. If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be recemented and retested or an additional string of casing should be run and cemented. If an additional string is used, the same test shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill," the number of sacks of cement to be used on each string of casing shall be stated.

RULE 29: Any completed well which produces any oil shall be tubed. This tubing shall be set as near the bottom of the hole as practicable, but in no case shall tubing perforations be more than 250 feet from the bottom. The bottom of the tubing shall be restricted to an opening of less than 1 inch or bullplugged in order to prevent the loss of pressure bombs or other measuring devices.

RULE 30: Any well which produces oil shall be equipped with a meter setting of adequate size to measure efficiently the gas, with this meter setting to be

VIII. SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL (CONT'D)

installed on the gas vent or discharge line. Wellhead equipment for all wells shall be installed and maintained in first-class condition, so that static bottom hole pressures and surface pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on the casing and also on the tubing, wherever tubing is installed. All connections subject to well pressure and all wellhead fittings shall be of first-class material, rated at 2,000 psi working pressure and maintained in gas-tight condition. There shall be at least one valve on each bradenhead. Operators shall be responsible for maintaining all equipment in first-class condition and shall repair or replace equipment where gas leakage occurs.

RULE 31: Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first-class condition and properly installed.

RULE 32: Wells shall not be shot or chemically treated until the permission of the Commission is obtained. Each well shall be shot or treated in such a manner as will not cause injury to the sand or result in water entering the oil or gas sand, and necessary precautions shall be taken to prevent injury to the casing. If shooting or chemical treatment results in irreparable injury to the well or to the oil or gas sand, the well shall be properly plugged and abandoned.

RULE 33: Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches, or otherwise wasted. It may be used for lease and development purposes and for the development of nearby leases, except as prohibited above. Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

I. GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF SOUTHEASTERN NEW MEXICO

(See Special Pool Rules in each pool for orders applicable to those pools only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 1: Any well drilled to the producing formation of a gas pool regulated by this order and within said pool or within one mile outside the boundary of that pool, and not nearer to nor within the boundaries of another designated pool producing the same formation, shall be spaced, drilled, operated, and prorated in accordance with the regulations in effect in that pool.

RULE 2: After the effective date of this order each well drilled or recompleted on a standard gas proration unit within a gas pool regulated by this order shall be located not closer than 330 feet to a quarter-quarter section line or subdivision inner boundary line and not closer to the outer boundary line than the footages set out in the table immediately below:

Standard Proration Unit	Footage From Unit Outer Boundary
160 acres	660 feet
320 acres	660 feet
640 acres	1,980 feet

RULE 3: The Secretary-Director of the Commission shall have authority to grant exception to the requirements of Rule 2 without notice and hearing where the application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The necessity for the unorthodox location is based on topographical conditions, or is occasioned by the recompletion of a well previously drilled to another horizon.

2. (a) The ownership of all oil and gas leases within a radius of 1,980 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, or

(b) All owners of oil and gas leases within

such radius consent in writing to the proposed location.

(c) In lieu of Paragraph 2(b) of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his Application for Approval of an Unorthodox Location. (This information to offset operators should consist of the same information that is furnished to the Commission.) The Secretary-Director of the Commission may approve the application, if, after a period of at least 20 days following the mailing of said notice, no operator has made objection to the drilling of the unorthodox location. In the event an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 4: The provisions of Statewide Rule 104, Paragraph (k), shall not apply to the gas pools regulated by this order.

RULE 5(A): The acreage allocated to a gas well for proration purposes shall be known as the gas proration unit for that well. For the purpose of gas allocation in the gas pools regulated by this order, a standard proration unit shall consist of contiguous surface acreage and shall be substantially in the form of a square in pools having 160-acre or 640-acre standard proration units, and substantially in the form of a rectangle in pools having 320-acre standard proration units, and shall be a legal subdivision of the U. S. Public Land Surveys (quarter-section, section, or half-section, as applicable). A proration unit shall be considered to be a standard gas proration unit when it meets the above requirements and and consists of acreage within the appropriate tolerance set out below:

Standard Proration Unit	Acreage Tolerance For Standard Unit
160 acres	158-162 acres
320 acres	316-324 acres
640 acres	632-648 acres

Any gas proration unit containing acreage within the appropriate tolerance limit above shall be considered to contain the number of acres in a standard unit for the purpose of computing allowables.

RULE 5(B): In establishing a non-standard gas proration

unit for gas pools regulated by this order where the standard gas proration unit is 640 acres, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

Location	Maximum Acreage
660-660	160 acres
660-1980	320 acres

RULE 5(C): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The proposed non-standard proration unit consists of less acreage than a standard proration unit, or where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys.

2. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.

3. The non-standard gas proration unit lies wholly within a single governmental quarter section in pools with 160-acre standard proration units except the Tubb Gas Pool, and within a single governmental section in the Tubb Gas Pool and in all pools with 320-acre or 640-acre standard proration units.

4. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the applicable gas pool.

5. The length or width of the non-standard gas proration unit does not exceed 2,640 feet in pools with 160-acre standard proration units, and does not exceed 5,280 feet in pools with 320-acre or 640-acre standard proration units.

6. The applicant presents written consent in the form of waivers from:

(a) All operators owning interests outside the non-standard gas proration unit but in the same quarter section in pools having 160-acre standard proration units or in the same section in pools having 320-acre or 640-acre standard proration units, in which any part of the non-standard gas proration unit is situated, and

(b) All operators owning interests within 1,500 feet of the well to which such non-standard gas proration unit is proposed to be dedicated.

7. In lieu of subparagraph 6 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. (This notification to offset operators should consist of the same information that is furnished to the Commission.) The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit.

B. NOMINATIONS AND PRORATION SCHEDULE

RULE 6(A): At least 30 days prior to the beginning of each gas proration period, the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from each of the gas pools regulated by this order. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 6(B): The term "gas purchaser" as used in these rules shall mean any "taker" of gas either at the well-head or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination in accordance with Rule 6(A) and Rule 7 (A) of this order.

RULE 7(A): In the event a gas purchaser's market shall have increased or decreased, he may file with the Commission prior to the 10th day of the month a "Supplemental Nomination" showing the amount of gas he actually in good faith desires to purchase during the ensuing proration month from any gas pool regulated by this order. The Commission shall hold a public hearing between the 13th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month along with such other

information as is necessary to show the allowable-production status of each well on the schedule. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

RULE 7(B): The Commission shall include in the proration schedule the gas wells in the gas pools regulated by this order delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The total allowable to be allocated to each gas pool regulated by this order each month shall be equal to the sum of the "Preliminary" or "Supplemental Nominations" (whichever is applicable) for each pool, together with any adjustment which the Commission deems advisable. A monthly allowable shall be assigned to each well entitled to an allowable by allocating the pool allowable among all such wells in that pool in accordance with the procedure set out in the Special Pool Rules.

RULE 8(B): Allowables to newly completed gas wells shall commence in accordance with the provisions of the Special Pool Rules. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed, together with a plat (Form C-128) showing acreage attributed to said well and the location of all wells on the lease.

RULE 9(A): A well's "Acreage Factor" shall be determined to the nearest hundredth of a unit by dividing the acreage assigned to the well by 160 acres. However, the acreage tolerances provided in Rule 5(A) shall apply.

RULE 9(B): If, during a proration month, the acreage assigned to a well is increased, the operator shall notify the Commission in writing (Box 2045, Hobbs, New Mexico) of such increase by filing a revised plat (Form C-128). The increased allowable assigned the gas proration unit for the well shall be effective on the first day of the month following receipt of the notification by the Commission.

RULE 10(A): A marginal well shall be assigned an allowable equal to its maximum production during any month of the preceding gas proration period.

RULE 10(B): The pool allowable remaining after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in such pool as provided for in the Special Pool Rules.

RULE 11: After notice and hearing, the Commission may assign minimum allowables in order to prevent the premature abandonment of wells.

RULE 12: The full production of gas from each well shall be charged against the well's allowable regardless of what disposition has been made of the gas; provided, however, that gas used on the lease for consumption in lease houses, treaters, compressors, combustion engines and other similar lease equipment shall not be charged against the well's allowable.

D. BALANCING OF PRODUCTION

RULE 13: The dates 7:00 a.m., January 1, and 7:00 a.m., July 1, shall be known as balancing dates, and the periods of time bounded by these dates shall be known as gas proration periods.

RULE 14(A): Underproduction: Any non-marginal well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.

RULE 14(B): Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.

RULE 15(A): Overproduction: Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be made up during such succeeding period. Any well which has not made up the overproduction carried into a gas proration period by the end of such proration period shall be shut-in until such overproduction is made up. If, at any time, a well is overproduced an amount equalling six times

its current monthly allowable, it shall be shut-in during that month, and each succeeding month until the well is overproduced less than six times its current monthly allowable.

RULE 15(B): Allowable assigned to a well during any one month of a gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been made up.

RULE 15(C): The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut-in upon a showing at public hearing after due notice that complete shut-in of the well would result in material damage to the well.

RULE 15(D): Any allowable accrued to a well at the end of a proration period due to the cancellation of underage and the redistribution thereof shall be applied against the overproduction carried into said proration period.

E. CLASSIFICATION OF WELLS

RULE 16(A): After the production data is available for the last month of each gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its allowable during at least one month of such preceding gas proration period may be classified as a marginal well, unless, prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified. However, a well which in any month of said proration period has demonstrated its ability to produce its allowable for said proration period shall not be classified as a marginal well.

RULE 16(B): The Secretary-Director may reclassify a marginal or non-marginal well at any time the well's production data, deliverability data, or other evidence as to the well's producing ability justifies such reclassification.

RULE 17: A well which is classified as a marginal well shall not be permitted to accumulate underproduction, and any underproduction accrued to a well prior to its classification as a marginal well shall be cancelled.

RULE 18: If, at the end of a proration period, a marginal well has produced more than the total allowable assigned a non-marginal unit of corresponding size, for that period, the marginal well shall be reclassified as a non-marginal well and its allowable and net status adjusted accordingly.

RULE 19: A well which has been reworked or recompleted shall be classified as a non-marginal well as of the date of reconnection to a pipeline until such time as production data, deliverability data, or other evidence as to the well's producing ability indicates that the well should be classified as a marginal well.

RULE 20: All wells not classified as marginal wells shall be classified as non-marginal wells.

F. REPORTING OF PRODUCTION

RULE 21(A): The monthly gas production from each well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 in accordance with Rule 1114 of the Commission Rules and Regulations, so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the gas produced.

RULE 21(B): Each purchaser or taker of gas in each of the designated gas pools regulated by this order shall submit a report to the Commission so as to reach the Commission on or before the 15th day of the month next succeeding the month in which the gas was purchased or taken.

RULE 21(C): Such report shall be filed on either Form C-111 or Form C-114 (whichever is applicable) with the wells being listed in approximately the same order as they are listed on the proration schedule.

RULE 21(D): Forms C-111 and C-114 referred to herein shall be submitted in duplicate, the original being sent to the Commission at Box 871, Santa Fe, New Mexico, the other copy being sent to Box 2045, Hobbs, New Mexico.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the gas pools regulated by this order shall be flared or vented except as provided in the Special Pool Rules.

RULE 23: Failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Proration Manager shall notify the operator of the well and the purchaser, in writing, of the date of allowable cancellation and the reason therefor.

RULE 24: All transporters or users of gas shall file gas well connection notices with the Commission as soon as possible after the date of connection, in accordance with the provisions of Rule 8(B) of the Special Pool Rules. (Rule 24 does not actually appear in pool rules, but is Commission policy and added for information and clarification.)

(See Special Pool Rules for each pool for orders applicable to that pool only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL

(The Blinebry Gas Pool was created February 17, 1953, and prorationing was instituted January 1, 1954.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Blinebry Gas Pool shall be 160 acres.

(Also see Rule 29 below.)

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104 and C-110 and a plat (Form C-128), whichever date is the later.

(Also see Rule 29 below.)

RULE 12: The production of intermediate or low pressure gas derived from the staging of the well fluids need not be charged against the well's gas allowable, provided that the said intermediate or low pressure gas is utilized in accordance with the provisions of Rule 34 below.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, shall be flared, vented or otherwise wasted in the Blinebry Gas Pool at any time after ninety (90) days from the date of completion of a well in said pool.

Any operator desiring to obtain an exception to the foregoing provision of this rule shall submit to the Secretary-Director of the Commission an application for such exception accompanied by a sworn statement setting forth the facts and circumstances which justify such exception. The Secretary-Director is hereby authorized to grant such exception when the granting of such is necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant. The

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

Secretary-Director shall (a) grant the exception within 15 days following receipt of the application and statement, or (b) set the application for hearing before the Commission at a regularly scheduled monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Public notice of the hearing of the application shall be published in the manner provided by law.

Should the Secretary-Director grant an exception to the provision of Rule 22, notification of such exception shall be distributed to the Commission's regular mailing list.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Blinebry Gas Pool shall extend from a point 75 feet above the "Blinebry Marker" to a point 300 feet below the "Blinebry Marker."

The "Blinebry Marker" shall be that point encountered in the Humble Oil and Refining Company State "S" Well No. 20, SW/4 NW/4 of Section 2, Township 22 South, Range 37 East, NMPM, at a depth of 5457 feet (Elevation 3380, Subsea Datum Minus 2077).

RULE 26: Any well drilled and completed in good faith prior to April 11, 1955, which well is situated within the horizontal boundaries of the Blinebry Gas Pool as herein defined, but which produces gas from a depth interval exceeding the vertical limits of the Blinebry Gas Pool as herein defined, is hereby validated and shall be classified as a gas well in the Blinebry Gas Pool, provided that said well conforms to the definition of a gas well in said pool as set out in Rule 27(A) of these rules, and provided that the well is classified as a gas well in the Blinebry Gas Pool under the rules, regulations and orders in effect on April 10, 1955.

RULE 27(A): A gas well in the Blinebry Gas Pool shall mean a well producing from within the vertical and horizontal limits of the Blinebry Gas Pool which:

1. Produces liquid hydrocarbons possessing a gravity of 51° API or greater, or

2. Produces liquid hydrocarbons possessing a

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

gravity of less than 51° API but with a producing gas-liquid ratio of 32,000 cubic feet of gas or more per barrel of liquid hydrocarbon.

RULE 27(B): A well producing from within the horizontal and vertical limits of the Blinebry Gas Pool and not classified as a gas well, as defined in Section (A) of this rule, shall be classified as an oil well in the Blinebry Oil Pool.

RULE 28: The Proration Manager may reclassify a well under Rule 27 if production data, gas-oil ratio tests or other evidence reflects the need for such reclassification.

For proration purposes, the effective date of such reclassification shall be the first day of the next succeeding month.

The Proration Manager will notify the operator of the reclassified well of such reclassification and the effective date thereof; provided, however, that operator may appeal such reclassification to the Secretary-Director of the Commission in writing.

RULE 29: In the event an oil well in the Blinebry Oil Pool is reclassified as a gas well in the Blinebry Gas Pool, the operator of such well will be afforded the opportunity to form a non-standard gas proration unit for the well; provided, however, that, until such unit is formed, such well shall be allocated a gas allowable commensurate with the acreage contained in the unit formerly dedicated to the oil well in the Blinebry Oil Pool.

In the event such reclassification should cause the occurrence of two gas wells producing from the Blinebry Gas Pool within a single proration unit, the sum total of the allowables allocated to the two wells shall be equivalent to the volume of gas allocated to a single proration unit; provided, however, that the operator of such wells shall have the option to determine the proportion of the assigned allowable to be produced by each individual well.

RULE 30: Acreage dedicated to a gas well in the Blinebry Gas Pool shall not be simultaneously dedicated to an oil well in the Blinebry Oil Pool, and the dual completion of a well so as to produce gas from the Blinebry Gas Pool and oil from the Blinebry Oil Pool is hereby prohibited.

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

RULE 31: At no time will the horizontal boundaries of the Blinebry Gas Pool conflict with or overlap the horizontal boundaries of the Terry-Blinebry Oil Pool.

RULE 32: Gas-liquid ratio tests and determination of the gravity of that liquid hydrocarbon recovered from wells in the Blinebry Gas Pool shall be conducted semiannually during the months of May and October on all wells located in and producing from the Blinebry Gas Pool. Results of such tests will be reported to the Commission on Form C-116 on or before the 15th day of June and the 15th day of November of each calendar year.

RULE 33: Bottom-hole pressure tests will be conducted semiannually during the months of May and October on all gas wells located to the north of an east-west line coinciding with the north lines of Sections 21, 22, 23 and 24, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, such wells to be producing from within the vertical and horizontal boundaries of the Blinebry Gas Pool and classified as gas wells under the rules contained in this order. Results of such tests will be reported to the Commission on Form C-124 on or before the 25th day of June and the 25th day of November of each calendar year.

All bottom-hole pressure tests, except tests on dually completed wells producing from the Blinebry Gas Pool, will be conducted in accordance with Rule 302 of the Rules of the Commission. Shut-in period will be 48 hours, datum elevation will be 2400 feet subsea, (-2400), and base temperature will be 100° Fahrenheit.

Bottom-hole pressures on dually completed wells producing gas from the Blinebry Gas Pool may be calculated from a 72-hour shut-in pressure at the wellhead, provided that an accurate determination of the fluid level in the hole is made employing sonic or other methods of equivalent accuracy. The gravity of the fluid in the hole shall be that gravity determined by averaging the gravities of those fluids produced on official test in the Blinebry Gas Pool during the regular semiannual gas-liquid ratio and gravity testing period next preceding the subject bottom-hole pressure test period. The gravity to be employed in the calculation of bottom-hole pressures during a particular testing period shall be determined by the Commission. All interested operators shall be duly notified of such determination by the Commission.

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

RULE 34: The following shall apply to all producing wells in the Blinebry Gas Pool:

(A) Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.

(B) The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a low-pressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Blinebry or Tubb Gas Pools following its separation from the high-pressure gas in the high-pressure separator, provided gas-distillate test facilities are available and periodic tests are made.

Following the separation of distillate and low-pressure gas in the low-pressure separator, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from other low-pressure gas produced on the lease, provided that certain test facilities are available and certain periodic tests made.

(C) Each year during the months of June and July each operator of each gas well producing from the Blinebry Gas Pool shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs, New Mexico) on or before August 15 following the test. The test shall outline the amount of high-pressure gas produced during the 24-hour test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio.

Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

(D) In submitting Form C-115 (Operator's Monthly Report) on wells producing from the Blinebry zone in which distillate is commingled and/or the low-

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volume produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.

(E) The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Sections (A) through (D) of this rule, inclusive, where it can be shown that compliance with these rules is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

III. SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL

(The Crosby-Devonian Gas Pool was created May 27, 1955, and gas prorationing was instituted April 1, 1957.)

A. WELL LOCATION AND SPACING REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Crosby-Devonian Gas Pool shall be 160 acres. (Note: The General Rules regarding administrative approval of non-standard units do not apply to the Crosby-Devonian Gas Pool.)

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and Form C-128 or the approval of a non-standard proration unit or filing of an affidavit of communitization, whichever date is the later.

RULE 8(C): The allowable revision for a well after workover or recompletion shall become effective:

(a) On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operators, or

(b) A date 15 days prior to the approval of Form C-104 by the Commission's office, (Box 2045, Hobbs, New Mexico); (Form C-104 shall specify the exact nature of the workover or remedial work; if the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall be also filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations.)

whichever date is later.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Crosby-Devonian Gas

III. SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL (CONT'D)

Pool shall include all the formations that can reasonably be considered to be of Devonian age.

RULE 26: Gas-liquid ratio tests shall be taken in accordance with the provisions of Rule 301 of the Commission Rules and Regulations as scheduled by the Commission.

RULE 27: The casing program for the field shall include three strings of casing set in accordance with the following plan:

(A) The surface string shall be new or reconditioned pipe with a mill test of not less than two thousand (2,000) pounds per square inch and shall be set and cemented at a depth of approximately five hundred (500) feet, such depth being sufficient to protect the fresh water bearing sands of the Santa Rosa formation.

Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the annular space back of the pipe to the surface of the ground or the bottom of the cellar. Cement shall stand a minimum of sixteen (16) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating pressure tests. Before drilling the plug, this string shall be tested by the application of at least one thousand (1,000) pounds per square inch and, if at the end of thirty (30) minutes the pressure shows a drop of one hundred fifty (150) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(B) The intermediate string shall consist of new or reconditioned pipe that has been tested to two thousand (2,000) pounds per square inch and shall be set at approximately thirty-six hundred (3,600) feet. Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the calculated annular space back of the pipe to a point one hundred (100) feet above the top of the Salado formation. The cement shall stand a minimum of twenty-four (24) hours under pressure and a total of thirty (30) hours before drilling plug or initiating tests. Casing shall be tested by the application of at least twelve hundred (1,200) pounds per square inch pump pressure. If, at the end of thirty (30) minutes, the pump pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken,

III. SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL (CONT'D)

the pipe shall again be tested in the same manner.

(C) The producing or oil string shall be new or reconditioned casing that has been tested to four thousand (4,000) pounds per square inch and shall be set at a depth not less than the top of the Devonian formation. Cementing shall be with a minimum of three hundred fifty (350) sacks of cement applied by the pump-and-plug method and shall stand a minimum of twenty-four (24) hours under pressure and a total of forty-eight (48) hours before drilling the plug or initiating tests. After cementing, the casing shall be tested by pump pressure of at least thirty (30) minutes. If, at the end of 30 minutes the pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

IV. SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL

(The Eumont Gas Pool was created February 17, 1953, and proration was instituted January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Eumont Gas Pool shall be 640 acres.

RULE 5(B): Any well drilled to and producing from the Eumont Gas Pool, as defined herein, prior to August 12, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110, and a plat (Form C-128), whichever date is the later.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, shall be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either (a) grant

IV. SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL (CONT'D)

the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A): Within 15 days after any oil or gas well within the boundaries of the Eumont Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B): No extraction plant processing any gas from the Eumont Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers and Queen formations.

RULE 26(A): A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B): A well producing from the Eumont Gas Pool and not classified as a gas well, as defined in Section (A) of this rule, shall be classified as an oil well.

RULE 26(C): Oil wells producing from the Eumont Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such well shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Statewide Rule 505.

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL

(The Jalmat Gas Pool was created effective September 1, 1954 from a consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. Gas prorationing was instituted in Jalco and Langmat January 1, 1954 and was continued after consolidation to form the Jalmat Gas Pool. The Jalmat Gas Pool now includes acreage that was formerly included in the Jal, Cooper-Jal, Eaves, Falby-Yates, Jalco, and Langmat Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Jalmat Gas Pool shall be 640 acres.

RULE 5(B): Any well drilled to and producing from the Jalmat Gas Pool, as defined herein, prior to September 1, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): 1. The pool allowable remaining after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells in the pool as follows:

(a) Twenty-five percent (25%) of the remaining pool allowable shall be allocated among the non-marginal wells in the pool in the proportion that each well's "Acreage Factor" bears to the total "Acreage Factor" for all non-marginal wells in the pool.

(b) Seventy-five percent (75%) of the remaining pool allowable shall be allocated among the non-marginal wells in the pool in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. A well's "AD Factor" shall be determined by multiplying the well's "Acreage Factor" by its "Calculated Deliverability" (expressed in MCF per day). The "AD Factor" shall be computed to the nearest whole unit. In those instances where there is more than one well on a proration unit, the "Calculated Deliverability" for the unit shall be determined by averaging the "Calculated Deliverabilities" of all the wells on the unit.

3. Annual deliverability tests shall be taken on all gas wells in the Jalmat Gas Pool in a manner and at

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

such time as the Commission may prescribe. The results of such tests shall determine a well's "Calculated Deliverability". The annual deliverability tests taken each year shall be used in calculating allowables for wells in the Jalmat Gas Pool for the succeeding twelve month period beginning July 1 of that year.

4. No well shall be assigned an allowable until a deliverability test has been filed with the Commission and approved.

5. The Secretary-Director of the Commission shall have authority to exempt marginal wells from the requirement of taking an annual deliverability test in those instances where the deliverability of the well is of such low volume as to have no significance in the determination of the well's allowable.

RULE 8(B): Allowables to newly completed gas wells shall commence:

1. On the date of connection to a gas transportation facility, such date to be determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser;

2. The latest filing date of Form C-104, C-110 or C-128; or

3. A date 45 days prior to the date upon which the well's deliverability and shut-in pressure test is reported to the Commission on Form C-122-C;

whichever date is later.

RULE 8(C): Retests and tests taken after recompletion or workover shall be taken in the same manner as provided in Rule 8(A) 3 above, and any change in the well's "Calculated Deliverability" resulting therefrom shall become effective:

1. On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operator; or

2. A date 45 days prior to the date upon which a well's deliverability and shut-in pressure test is reported to the Commission on Form C-122-C; or

3. A date 45 days prior to the receipt and approval of Form C-104 by the Commission Office (Box

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

2045, Hobbs, New Mexico). (Form C-104 shall specify the exact nature of the workover or remedial work. If the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall also be filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations. Form C-128 (Well Location and Acreage Dedication Plat) shall be submitted by the operator at any time there is a change in the acreage dedicated to said well.),

whichever date is later.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, shall be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either (a) grant the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A): Within 15 days after any oil or gas well within the boundaries of the Jalmat Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B): No extraction plant processing any gas from

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

the Jalmat Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25(A): The vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation, except,

RULE 25(B): In the area described immediately below, the vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 250 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 13: SE/4 NE/4, SE/4
Section 23: E/2 E/2
Section 24: All
Section 25: N/2
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 18: SW/4 NW/4, W/2 SW/4
Section 19: W/2
Section 30: NW/4

RULE 26(A): A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B): A well producing from the Jalmat Gas Pool and not classified as a gas well shall be classified as an oil well.

RULE 26(C): Oil wells producing from the Jalmat Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such wells shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Rule 505.

RULE 27: That portion of the Rhodes Storage Area lying within the defined limits of the Jalmat Gas Pool shall be exempted from the applicable provisions of the Jalmat Gas Pool Rules. The Rhodes Storage Area shall include the

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 4: W/2 NW/4, SE/4 SE/4, W/2 SE/4, SW/4
Section 5: All
Section 6: NE/4 NW/4, NE/4, SE/4 SE/4, N/2 SE/4
Section 7: NE/4 NE/4
Section 8: N/2, N/2 S/2, SE/4 SW/4, S/2 SE/4
Section 9: All
Section 10: W/2 NW/4, SE/4 NW/4, S/2
Sections 15 and 16: All
Section 17: E/2 NW/4, E/2
Sections 21 and 22: All
Section 23: SW/4 NW/4, SW/4
Sections 26, 27, and 28: All
Section 29: E/2 NE/4

RULE 28: The dual completion of a well so as to produce oil from the Yates and oil from the Seven Rivers or Queen formations is hereby prohibited.

RULE 29: Acreage dedicated to a gas well in the Jalmat Gas Pool shall not be simultaneously dedicated to an oil well in the Jalmat Gas Pool.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VI. SPECIAL RULES AND REGULATIONS FOR THE JUSTIS GAS POOL

(The Justis Gas Pool was created January 1, 1950, and gas proration was instituted January 1, 1954. The standard proration unit was changed from 160 acres to 320 acres October 3, 1957.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Justis Gas Pool shall be 320 acres.

C. ALLOCATION AND GRANTING ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the Pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and a plat (Form C-128), or the date of application for a non-standard gas proration unit as provided in Rule 5-C, of the General Rules.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25(A): The vertical limits of the Justis Gas Pool shall be defined as follows:

> From the top of the Glorieta formation, found at a depth of 4599 feet (Elevation 3080, Subsea Datum - 1519) in the Gulf Oil Corporation McBuffington Well No. 8, located 350 feet from the South line and 1980 feet from the West line of Section 13, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to a point 40 feet above the marker encountered at 4879 feet (Subsea Datum - 1799) in said McBuffington Well No. 8.

RULE 25(B): The Hamilton Dome Westates Carlson Federal "A" Well No. 1, located in the NW/4 of Section 25, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, as the completion existed on April 22, 1959, shall be considered to be completed within the vertical limits of the Justis Gas Pool.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

CASE No. 1937
Order No. R-1670

VII. SPECIAL RULES AND REGULATIONS FOR THE TUBB GAS POOL

(The Tubb Gas Pool was created February 17, 1953, and proration was instituted January 1, 1954.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Tubb Gas Pool shall be 160 acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factor for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and the plat (Form C-128), or the date of application for a non-standard gas proration unit as provided in Rule 5(C) of the General Rules, whichever date is the later.

RULE 12: The production of intermediate or low pressure gas derived from the staging of the well fluids need not be charged against the well's gas allowable, provided that the said intermediate or low pressure gas is utilized in accordance with the provisions of Rule 27 below.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Tubb Gas Pool shall extend from a point 100 feet above the "Tubb Marker" to a point 225 feet below the "Tubb Marker". Said "Tubb Marker" shall be that point encountered in the Humble Oil and Regining Company State "S" Well No. 20 at a depth of 5921 feet (Elevation 3380, Subsea Datum Minus 2541).

RULE 26(A): An oil well in the Tubb Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 45° API or less.

RULE 26(B): An oil well in the Tubb Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section legal subdivision of the United States Public Land Surveys.

VII. SPECIAL RULES AND REGULATIONS FOR THE TUBB GAS POOL (CONT'D)

RULE 26(C): No acreage shall be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

RULE 26(D): The limiting gas-oil ratio for oil wells in the Tubb Gas Pool shall be 2000 cubic feet of gas for each barrel of oil produced.

RULE 27: The following shall apply to all producing wells in the Tubb Gas Pool:

(A) Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.

(B) The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a low-pressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Tubb or Blinebry Gas Pools following its separation from the high-pressure gas in the high-pressure separator, provided gas-distillate test facilities are available and periodic tests are made.

Following the separation of distillate and low-pressure gas in the low-pressure separator, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from other low-pressure gas produced on the lease, provided that certain test facilities are available and certain periodic tests made.

(C) Each year during the months of June and July each operator of each gas well producing from the Tubb Gas Pool shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs, New Mexico) on or before August 15 following the test. The test shall outline the amount of high-pressure gas produced during the 24-hour test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio. Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

(D) In submitting Form C-115 (Operator's Monthly

VII. SPECIAL RULES AND REGULATIONS FOR THE TUBB GAS POOL (CONT'D)

Report) on wells producing from the Tubb zone in which distillate is commingled and/or the low-pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volumes produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.

(E) The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Sections (A) through (D) of this rule, inclusive, where it can be shown that compliance with these rules is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2095
Order No. R-1670-C

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER PRORATING THE GAS PRODUCTION
FROM THE DAKOTA PRODUCING INTERVAL,
SAN JUAN AND RIO ARRIBA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1960, at Farmington, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of November, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order Nos. R-1287 and R-1287-A, the Commission created and defined the Dakota (gas) Producing Interval, San Juan and Rio Arriba Counties, New Mexico.

(3) That the producing capacity of the wells in the Dakota Producing Interval is in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area encompassed by the Dakota Producing Interval, commencing February 1, 1961.

(4) That since the evidence presented established that there is a general correlation between the deliverabilities of the gas wells in the Dakota Producing Interval and the recoverable gas in place under the tracts dedicated to the wells, the gas allocation formula for the pool should be based on seventy-five (75) percent acreage times deliverability plus twenty-five (25) percent acreage. Such a formula will protect correlative rights and will, insofar as

is practicable, prevent drainage between producing tracts which is not equalized by counter-drainage.

(5) That after three (3) months production history under the allocation formula mentioned above, a hearing should be called to determine whether a minimum and maximum per well allowable is necessary to protect correlative rights and prevent waste.

(6) That the provisions set forth in Order No. R-1287 and Order No. R-1287-A relative to acreage dedication, well location requirements, and vertical and horizontal limits should be incorporated in this order.

(7) That the common source of supply presently classified and defined as the Dakota Producing Interval should henceforth be denominated the Basin-Dakota Gas Pool.

(8) That special rules and regulations governing the drilling, spacing and proration of wells in said Basin-Dakota Gas Pool should be promulgated.

IT IS THEREFORE ORDERED:

(1) That Order Nos. R-1287 and R-1287-A be and the same are hereby superseded.

(2) That the following Dakota gas pools be and the same are hereby abolished:

Angels Peak-Dakota
Blanco-Dakota
South Blanco-Dakota
West Blanco-Dakota
Companero-Dakota
East Companero-Dakota
Huerfanito-Dakota
Huerfano-Dakota
West Kutz-Dakota
Largo-Dakota
North Los Pinos-Dakota
South Los Pinos-Dakota
Otero-Dakota

(3) That a new gas pool for Dakota production be and the same is hereby created and designated as the Basin-Dakota Gas Pool with the vertical and horizontal limits as shown in Rule 25 below, and which shall be prorated commencing February 1, 1961.

(4) That the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670, shall apply to the Basin-Dakota Gas Pool, unless in conflict with the

Special Rules and Regulations for the Basin-Dakota Gas Pool hereinafter set forth, in which event the Special Rules shall apply.

(5) That Special Rules and Regulations for the Basin-Dakota Gas Pool be and the same are hereby promulgated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE BASIN-DAKOTA GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: That all wells drilled to or completed in the Basin-Dakota Gas Pool shall be located no nearer than 790 feet to the boundary line of the proration unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line.

In the event any such well is completed as an oil well at a location nearer than 330 feet to a governmental quarter-quarter section line, said well shall not be produced unless and until such time as the unorthodox oil well location has been approved by the Commission after notice and hearing.

RULE 3: The Secretary-Director of the Commission shall have authority to grant an exception to Rule 2 without notice and hearing where an application therefor has been filed in due form and the Secretary-Director determines that good cause exists for granting such exception.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all such operators, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary-Director of the Commission shall wait at least 20 days before approving any such unorthodox location, and may approve such unorthodox location only in the absence of objection from any offset operator or any operator within the section in which the well is located. In the event such an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 5(A): A standard gas proration unit in the Basin-Dakota Gas Pool shall be 320 acres.

RULE 5(B): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where an application has been filed in due form and

where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

1. The non-standard unit consists of contiguous quarter-quarter sections or lots.

2. The non-standard unit lies wholly within a single governmental section.

3. The entire non-standard unit may reasonably be presumed to be productive of gas.

4. The length or width of the non-standard unit does not exceed 5280 feet.

5. That applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

6. In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director of the Commission may approve the application, if, after a period of 30 days following the mailing of said notice, no such operator has made objection to the formation of such non-standard unit.

E. CLASSIFICATION OF WELLS

RULE 16(A): After the production data is available for the last month of each gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its average allowable during the preceding six-month gas proration period may be classified as a marginal well, unless, prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Basin-Dakota Gas Pool shall be from the base of the Greenhorn Limestone to a point 400 feet below the base of said formation and consisting of the Graneros formation, the Dakota formation and the productive upper portion of the Morrison formation.

The horizontal limits of the Basin-Dakota Gas Pool shall be San Juan and Rio Arriba Counties, New Mexico, with the exception of the Barker-Creek-Dakota Gas Pool and the Ute Dome-Dakota Gas Pool together with any extensions thereof.

IT IS FURTHER ORDERED:

That the foregoing Special Rules and Regulations shall have no application in any area which is now or may hereafter be classified by the Commission as an oil pool in the Dakota formation.

IT IS FURTHER ORDERED:

That all purchasers of gas in the Basin-Dakota Gas Pool shall file preliminary nominations for the purchase of gas from said pool during the initial six-month period commencing February 1, 1961, said nominations to be filed with the Santa Fe office of the Commission on or before December 9, 1960.

IT IS FURTHER ORDERED:

That a case is hereby docketed for the Regular Commission Hearing in June, 1961, at which time the Commission will consider the necessity or desirability for establishing a maximum and minimum per well allowable in the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation, Petitioners and Appellants, v. OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation, Respondents and Appellees.	No. 7727

Appeal From The District Court of
San Juan County

C. C. McCulloh, District Judge
Division I

BRIEF-IN-CHIEF OF APPELLANTS

Atwood & Malone
P. O. Drawer 700
Roswell, New Mexico

Kent B. Hampton
Marathon Oil Company
Casper, Wyoming

Ben R. Howell
Garrett C. Whitworth
El Paso Natural Gas Company
El Paso, Texas

J. K. Smith
Pan American Petroleum Corporation
P. O. Box 1410
Ft. Worth, Texas

Seth, Montgomery, Federici & Andrews
P. O. Box 2307
Santa Fe, New Mexico

Attorneys for Appellants

INDEX TO BRIEF-IN-CHIEF OF APPELLANTS

TABLE OF AUTHORITIES

New Mexico Cases

Statutes

STATEMENT OF THE CASE

This is an appeal from a judgment of the District Court of San Juan County, New Mexico, in Case No. 11,685, affirming Order No. R-2259-B entered by the Oil Conservation Commission of New Mexico in Case No. 2504, on the docket of the Commission. The proceeding before the District Court of San Juan County was on Petition For Review filed by Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Southwest Production Company and Sunset International Petroleum Corporation, who are Appellants in this court, except for Southwest Production Company.

Case No. 2504 on the docket of the Oil Conservation Commission was initiated by the Application of Appellee Consolidated Oil & Gas, Inc., filed on February 23, 1962, requesting the Commission to change the gas proration formula applicable to the Basin-Dakota Gas Pool from the existing "25-75" formula (25% acreage plus 75% acreage times deliverability) to a "60-40" formula (60% acreage plus 40% acreage times deliverability) (Comm. Tr., Inst. 1). **The Commission's hearing on Consolidated's application was held on April 18-21, 1962. On June 7, 1962, Order No. R-2259 denying the Application of Consolidated was promulgated by the Commission (Comm. Tr., Inst. 8).

**The original transcript of record and proceedings in Case No. 2504 before the Oil Conservation Commission, which are a portion of the record in this appeal, consist of one volume containing original instruments and eight volumes of testimony before the Commission. There are no page numbers on the original instruments but each is numbered in the Certificate of the Secretary-Director of the Commission appearing at pages 1-4 of the volume of original instruments. In this brief this volume will be referred to as "Comm. Tr." Individual instruments will be referred to by the number assigned in the Certificate of the Secretary-Director. Thus, Order No. R-2259 would be cited "(Comm. Tr., Inst. 9)." References to testimony before the Commission will be by date of hearing and page number; thus, "(Hearing 11/18/26, pg. 25)."

The single volume transcript of the record from the District Court of San Juan County will be cited "Tr." with page number added, i.e., "(Tr. 44)."

On June 27, 1962, Consolidated filed an Application for Rehearing (Comm. Tr. Inst. 9). On July 7, 1962, the Commission granted the Application For Rehearing by Order No. R-2259-A (Comm. Tr. Inst. 11), limiting the rehearing to the matter of recoverable gas reserves in the Basin-Dakota Gas Pool. The rehearing was held on February 4, 1963, and on July 9, 1963, Order No. R-2259-B (Tr. 10), was entered by the Commission terminating the existing 25-75 formula and changing to a 60-40 formula, effective August 1, 1963. On July 26, 1963, Appellants filed their Applications for Rehearing (Tr. 30-40), directed to Order R-2259-B, which was overruled by the Commission's Order R-2259-C of August 1, 1963 (Tr. 29).

On August 20, 1963, Appellants filed their Petition for Review of Order No. R-2259-B and R-2259-C (Tr. 1) in the District Court of San Juan County. Answers to the Petition For Review were filed by the Oil Conservation Commission (Tr. 70), Consolidated Oil & Gas, Inc. (Tr. 65), Texaco, Inc. (Tr. 79), and Sunray-DX Oil Company (Tr. 82), Southern Union Gas Company appeared as amicus curiae in support of the Commission Order (Tr. 95).

Hearing on the Petition for Review was held at Aztec, New Mexico, on March 5, 1964, at the conclusion of which the court announced his decision affirming the Order of the Commission (Tr. 152).

Requested Findings of Fact and Conclusions of Law were filed by the parties (Tr. 98, 105, 114). The Court filed its Decision (Tr. 123) and Judgment was filed on April 2, 1964 (Tr. 131). Notice of Appeal was filed April 27, 1964 (Tr. 132). The time therefor having been duly extended, the Transcript of Record was filed and this case docketed in this court on September 29, 1964.

STATEMENT OF THE FACTS

The Basin-Dakota Gas Pool consists of all of the known productive areas of the Dakota formation lying in San Juan, Rio Arriba and Sandoval Counties, New Mexico. At the times pertinent to this appeal, Appellants were the operators of 283 producing gas wells in the Basin-Dakota Gas Pool (Tr. 14 et seq). Appellees, other than the New Mexico Oil Conservation Commission, were operators of 50 wells in this pool (Tr. 14 et seq).

By its Order No. R-1670-C entered November 4, 1960, the Oil Conservation Commission first limited the production of natural gas from the Basin-Dakota Gas Pool (Tr. 124). This Order, which established Special Rules and Regulations for the Basin-Dakota Gas Pool, adopted by reference Rule 9 (C) of the General Rules Applicable to Prorated Gas Pools in Northwest New Mexico, as set forth in the Commission's Order No. R-1670 (Tr. 124). Rule 9 (C) established a formula for the allocating of allowable gas production to non-marginal wells in prorated gas pools in Northwestern New Mexico on the basis of 25% acreage plus 75% acreage times deliverability (Tr. 124). On January 1, 1958, there were 20 Dakota wells in the San Juan Basin. This increased to 146 wells on January 1, 1960. On January 1, 1961, there were 301 gas wells in the Basin-Dakota Pool (Hearing 4/19/62, pg. 500). On February 14, 1963, the date of the rehearing in Case No. 2504, there were 941 wells in the Basin-Dakota Pool. (Hearing 2/14/63, pg. 144).

From the inception of proration in the Basin-Dakota Pool on November 4, 1960, until August 1, 1963, at which time it was changed by the Order appealed from, all production from the Basin-Dakota Pool

was allocated under the 25-75 formula which was applicable to the gas wells in all prorated gas pools in Northwestern New Mexico. During that period 640 new wells were drilled in the Basin-Dakota Pool under this formula.

On February 23, 1962, Consolidated Oil & Gas, Inc., filed its Application in Case No. 2504 seeking to have the 25-75 formula changed to a formula of 60% acreage plus 40% acreage times deliverability. (Comm. Tr. Inst. 1). During the course of the hearing and rehearing on this application thirteen operators, operating one hundred eleven (111) wells in the Basin-Dakota Pool, supported the change sought by Consolidated, while fourteen operators, operating four hundred forty-two (442) wells in the pool opposed the change and supported the existing 25-75 formula. (Hearing 4/19/62, pg. 657 et seq.; Hearing 2/14/63, pg. 215 et seq.)

After hearing, the Commission on June 7, 1962, entered its Order No. R-2259 denying the application of Consolidated and continuing the 25-75 formula. (Comm. Tr. Inst. 8). During the period that the Commission had the case under consideration the opinion of this court in Continental Oil Company, et al., v. Oil Conservation Commission, et al., 70 N.M. 310, 373 P. 2d 809 (1962) was filed on May 16, 1962.

That the opinion in Continental Oil Company, had a substantial impact upon the further proceedings in the case at bar is apparent. Thus, paragraph 6 of Consolidated's Application for Rehearing of Order R-2259 (Comm. Tr. Inst. 9) substantially quoted the opinion as follows:

> "(6). From available data it is practicable for the Commission to determine (a) the amount of recoverable gas

under each producer's tract, (b) the total amount of recoverable gas in the pool, (c) the proportion that (a) bears to (b); and (d) what portion of the arrived at proportion can be recovered without waste, and from such determinations the correlative rights of interested parties can be determined."

This is also evidenced by the fact that Order R-2259-A of the Commission granting the rehearing (Comm. Tr. Inst. 1) limited the scope of the rehearing to "matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool." See also Hearing 9/14/62, pg. 14; Hearing 2/14/63 pg. 97.

Following an extended rehearing, the Commission on July 9, 1963, issued its Order No. R-2259-B, to be effective August 1, 1963, changing the formula for the Basin-Dakota Pool from 25-75 to 60-40 as sought by Consolidated Oil & Gas, Inc. (Tr. 10).

Exhibit A attached to the Commission's Order No. R-2259-B (Tr. 14) and forming a part of the order, contains the entire basis for the findings included in the order and the computations which it reflects were the basis for the change of formula made in the order. Exhibit A reflects statistical data for each of the 699 non-marginal wells listed therein.

The nature of the information reflected by the data composing Exhibit A, and the use made of the data by the Commission are basic to a consideration of the questions presented by this appeal. For that reason the following explanation of Exhibit A is included:

Exhibit A
Order R-2259-B

Column A - Acreage Factor.

The figures in this column represent the acreage factor (AF)

for each of the 699 non-marginal wells. This is the ratio (expressed in terms of percent) of the surface acreage attributed to the well to a standard spacing or proration unit of 320 acres, fixed by the Commission for a well in this pool. Thus, a non-marginal tract with exactly 320 surface acres has an acreage factor of 100; and a non-marginal tract of more than 320 acres has an acreage factor of more than 100.

Column B - Daily Deliverability.

This column shows the current ability of each well to deliver gas under stated conditions. It is expressed in units of 1,000 cubic feet (MCF) per day for each of the 699 non-marginal wells as of December, 1962.

Column C - Tract Reserves, MMCF.

In this column the Commission has set forth its findings as to the initial recoverable gas reserves, expressed in units of one million cubic feet (MMCF), for each of the 699 non-marginal tracts. These figures do not represent the portion of these reserves which can be produced without waste.

Column D - Percentage of Pool Reserves.

This column sets out the Commission's findings as to the percentage of the total reserves of all non-marginal tracts which underlies each of the 699 non-marginal tracts.

Column H - MCF Allowable.

This column sets forth, in terms of thousands of cubic feet (MCF) what the allowable would have been for each of the 699 non-marginal wells for the month of December, 1962, if the 60-40 formula had been used to prorate pool production for that month. The acreage factor for each non-marginal tract and the current deliverability of each non-marginal well, set forth in Columns A and B, respectively, were used in making this 60-40 formula calculation.

Column I - Percentage of Pool Allowable.

This column sets forth the percentage of total pool allowable which would have been allocated to each of the 699 non-marginal wells for the month of December, 1962, if the 60-40 formula had been used to prorate pool production for that month.

Column J - A/R Factor.

This column sets forth the ratio under the 60-40 formula between (1) the percentage of total pool allowable which would have been allocated to each of the 699 non-marginal tracts if the 60-40 formula

had been used to prorate pool production for the month of December, 1962; and (2) the percentage of the total pool reserves of non-marginal tracts which the Commission found in Column D to be attributable to each non-marginal tract. In other words, this column sets forth the ratio between Column I and Column D, this ratio being the Allowable Reserve Factor (A/R Factor) for each non-marginal well for the month of December, 1962.

Columns E, F, and G - 25-75 Formula.

In Columns E, F, and G data identical to that appearing in Columns H, I, and J is set forth, except that the computations reflected in these columns are on the basis of the 25-75 formula, rather than the 60-40 formula.

Exhibit A to Order R-2259-B was substantially identical with figures included in Consolidated's Exhibit 4. Before the Commission Consolidated took the position that if the percentage of pool allowable for a well was exactly equal to its percentage of pool reserves so that the A/R Factor for that well was equal to one, or 100%, then the particular formula used for the computation of such A/R Factor afforded that well its exact share of the pool reserves (Hearing 2/14/63, pg. 22, 23, 25). It was conceded by Consolidated that its determination as to the reserves lying under each non-marginal tract could be in error by as much as 30% due to reasonable differences in interpretation of the data on which the estimates of the reserves were based (Hearing 2/14/63, pg. 26, 27). On that basis Consolidated concluded that if the A/R Factor for a well was between .7 or 70% and 1.3 or 130%, an abuse of correlative rights would not necessarily result, but that as to wells falling outside this range, abuses of correlative rights would tend to result (Hearing 2/14/63, pg. 26, 27).

The Commission obviously accepted these contentions of Consolidated and promulgated Order R-2259-B on the basis of them.

It was testified before the Commission that the effect of this change in formula from 25-75 to 60-40 would be to take roughly one-half million dollars annually from seventeen operators in the field and to redistribute it to thirty-three other operators in the pool (Hearing 4/19/62, pg. 413).

Appellants, believing the Order of the Commission to be invalid for the reasons herein stated, sought review in the District Court and perfected this appeal from the adverse judgment of the District Court of San Juan County.

THE POINTS RELIED ON FOR REVERSAL

POINT I

THE TRIAL COURT ERRED IN SUSTAINING THE COMMISSION ORDER WHICH WAS INVALID AND VOID FOR LACK OF BASIC FINDINGS OF JURISDICTIONAL FACTS.

POINT II

THE TRIAL COURT ERRED IN SUSTAINING THE COMMISSION ORDER WHICH WAS INVALID AND VOID BY REASON OF THE AFFIRMATIVE FINDINGS ON WHICH IT WAS BASED.

POINT III

THE TRIAL COURT ERRED IN SUSTAINING THE COMMISSION ORDER WHICH WAS NOT BASED ON SUBSTANTIAL EVIDENCE.

ARGUMENT AND AUTHORITIES

POINT I.

THE TRIAL COURT ERRED IN SUSTAINING THE COMMISSION ORDER WHICH WAS INVALID AND VOID FOR LACK OF BASIC FINDINGS OF JURISDICTIONAL FACTS.

In Appellants' Applications for Rehearing filed with the Commission following entry of Order No. 2259-B, the fatal deficiency of said order was pointed out as follows (Tr., 33, 37):

> "The Commission in its Order has failed to make a finding which under the law must be made in order to change an existing proration order, to-wit: the portion of each tract's proportion of the total pool reserves which can be recovered without waste. The record contains no evidence upon which such a finding can be made."

In the trial court, Appellants requested the following finding of fact (Petitioners' Requested Finding of Fact No. 12; (Tr. 101):

> "12. The Commission, having purported to find (1) the amount of recoverable gas under each producers tract in the Basin Dakota Pool, (2) a total amount of recoverable gas in the Pool and (3) the proportion that (1) bears to (2) wholly failed to make any finding or determination as to what portion of the proportion so arrived at could be recovered without waste."

Appellants also requested the trial court to adopt a conclusion of law as follows (Petitioners' Requested Conclusion of Law No. 2, Tr. 103):

> "2. Order No. R-2259-B is unreasonable and unlawful and void by reason of the failure of the Oil Conservation Commission to make required findings of jurisdictional fact as to the portion of the reserves of the Basin Dakota Pool and the individual tracts therein which can be produced without waste."

These requested findings and conclusions were denied by the trial court (Decision of the Court, Tr. 123 at p. 130). The Court's refusal to make such findings and conclusions is clearly reversible error under the authority of Continental Oil Company v. Oil Conservation Commission, 70 N.M. 310, 373 P.2d 809 (1962), which directly governs the case at bar.

The Continental case involved prorationing in a large, well

developed gas pool, and arose from facts strikingly similar to the case at bar. There, as here, hundreds of wells had been drilled under an allocation formula that had been in effect since establishment of prorationing in the pool, and, when the Commission attempted to change the formula, the order establishing a new formula was attacked on the ground that the Commission had not met the statutory standards applicable to gas prorationing and, in any event, had not shown in its order that proper procedures had been followed to protect correlative rights.

The Court in the Continental case considered the statutory definition of the term "correlative rights" (§65-3-29 (h) N.M.S.A., 1953 Comp.) which is as follows:

> "Correlative rights" means the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy."

The Court also considered §65-3-14(a), N.M.S.A., 1953 Comp., which defines the duty of the Commission in allocating production among the owners of property in a pool:

> "The rules, regulations or orders of the commission shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practically obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both in the pool, and for this purpose to use his just and equitable share of the reservoir energy."

The Court, after carefully reviewing these and other statutes governing Commission action, set out the basic procedure the Commission must follow in order validly to change a proration formula. The

Court observed that the Commission order did not contain basic findings of jurisdictional fact showing that the necessary procedure had been followed, and held the order invalid and void.

The basic procedure specified by the Court in the Continental case requires that the Commission first determine the extent of each owner's correlative rights and then establish a proration formula that will protect those rights. The Court stated succinctly the procedure to be followed and the four basic findings indispensable to a determination of each owner's correlative rights (70 N.M. 310, 319, 373 P.2d 809, 814):

> "Therefore, the commission, by 'basic conclusions of fact' (or what might be termed 'findings), must determine, insofar as practicable, (1) the amount of recoverable gas under each producer's tract; (2) the total amount of recoverable gas in the pool; (3) the proportion that (1) bears to (2); and (4) what portion of the arrived at proportion can be recovered without waste. That the extent of the correlative rights must first be determined before the commission can act to protect them is manifest." (Emphasis by the Court)

Again, the Court reiterates (70 N.M. 310, 324, 373 P.2d 809, 818):

> "To state the problem in a different way, if the commission had determined, from a practical standpoint, that each owner had a certain amount of gas; and that a determined amount of gas could be produced and obtained without waste; then the commission would have complied with the mandate of the statute...."

In the face of this clear and unequivocal language of the statutes and of this Court as to the requirements that must be met in an order of the Commission changing an existing gas proration formula, it is difficult to understand the failure of the Commission in the case at bar to meet all of these requirements. Yet, fail it did.

In order No. R-2259-B (Tr. p. 160) the amount of recoverable gas under each producer's tract is shown by Finding No. 6 which states (Tr. 161):

"(6) That the initial recoverable gas reserve underlying each non-marginal tract in the Basin-Dakota Gas Pool are as shown in Column C, Tract Reserves, of Exhibit A attached hereto and made a part hereof."

The total amount of recoverable gas in the pool is shown by Finding No. 5 which states (Tr. 161):

"(5) That the initial recoverable gas reserves in the Basin-Dakota Gas Pool, insofar as can be determined, total approximately 2.255 trillion cubic feet, of which approximately 96 billion cubic feet is attributed to marginal wells, which are permitted to produce at capacity."

The proportion that the amount of recoverable gas under each producer's tract bears to the total amount of recoverable gas in the pool is shown by Finding No. 7 which states (Tr. 161):

"(7) That the percent of the total pool reserves attributable to each non-marginal tract in the Basin-Dakota Gas Pool is as shown in Column D, Percent of Pool Reserves, of Exhibit A."

These preliminary findings constitute the first three steps of the four step procedure specified by the Continental case for determining the extent of each owner's correlative rights. Correlative rights have not been determined, however, because the Commission failed to take the fourth step and make the basic jurisdictional finding as to what portion of the arrived at proportion could be produced without waste. The Commission simply failed to make the required finding, and there was no evidence in the record to support such a finding even if it had been made.

In its finding (7) the Commission finds that Column D of Exhibit A states the percent of the total pool reserves which are attributable to each non-marginal tract in the pool. (Tr. 160, 161, 164). This is basic finding (3) of the Continental case as to the proportion that the recoverable gas under each producer's tract bears to the total recoverable gas in the pool; it is not required basic finding (4) of the Continental case as to "what portion of the arrived at proportion can be produced without waste."

There is no such finding. Nonetheless, the Commission has used these figures to determine the proration formula (Findings 11, 13, 14, Order No. R-2259-B; Tr. 161, 162). The effect of so doing is to use the total recoverable gas under each tract as the basis for testing the effect of the 60-40 and 25-75 proration formulas in the Order, rather than the portion of the recoverable gas under each tract which can be produced without waste, which is the measure of each owner's correlative rights. In so doing the Commission has fallen into fatal error, for it has not determined the extent of the correlative rights before it has attempted to establish a formula to protect them.

The Court in the Continental case left no room for doubt as to the effect of failure to make one or more of the "basic findings of jurisdictional fact" which it found to be essential to the validity of a commission order changing a gas proration formula. It said (70 N M. 310, 321, 373 P.2d 809, 816):

> "...basic jurisdictional findings, supported by evidence, are required to show that the Commission has heeded the mandate and the standards set out by statute."

and it there concluded:

> "We therefore find that the order of the commission lacked the basic findings necessary to and upon which jurisdiction depended, and that therefore Order No. R-1092-C and Order No. R-1092-A are invalid and void."

The legislature, in §65-3-29(h), determined that the correlative right of an owner in a gas pool is the opportunity "to produce without waste his just and equitable share of the oil or gas in the pool, being an amount so far as can be practicably determined and so far as can be practicably obtained without waste **" (Emphasis supplied) This Court determined in the Continental Oil Co., case that this statute requires a

finding as to the owner's portion of the recoverable gas in place which can be receovered without waste, as a basis for a valid allocation order. The Commission's action in ignoring that requirement, resulted in an invalid proration order which should have been so declared by the trial court. In failing to so invalidate the Commission's order the trial court erred and its judgment should be reversed.

POINT II.

THE TRIAL COURT ERRED IN SUSTAINING THE COMMISSION ORDER WHICH WAS INVALID AND VOID BY REASON OF THE AFFIRMATIVE FINDINGS ON WHICH IT WAS BASED.

In addition to asserting the invalidity of Order R-2259-B in the trial court because of lack of required jurisdictional findings, Appellants submitted the following Requested Findings of Fact which were refused by the trial court (Tr. 101):

> "14. The Commission's order is unreasonable and unlawful because it is based on affirmative findings which were illusory and which do not meet the statutory standards for a valid allocation of gas production.
>
> "15. The Commission's order does not equitably protect correlative rights insofar as is practicable in accordance with statutory standards."

The Order of the Commission adopted the 60-40 formula solely because it found that its use resulted in a larger member of wells receiving a percentage of pool allowable equal to their percentage of pool reserves (or within what the Commission found to be a reasonable tolerance hereof) than did the 25-75 formula. (Finding (11), Tr. 11). It based this determination upon each tract's reserves as set out in Column C of the Order (Tr. 14). Yet these are the very figures which the Commission, in its Finding 8, had found to be so subject to fluctuation that it was impracticable to allocate allowable on the basis of them.

If the reserve figures in Column C were the product of fluctuation to such an extent as to be impracticable as the basis for allocation of production, it is difficult to understand how, nonetheless, they could provide a valid standard against which to test the results of the 60-40 formula as against the results of the 25-75 formula. Yet the Commission used the percentage figures in Column D, and hence, the reserves in Column C, as

the sole basis for judging the relative merits of the two formulas.

If the reserve figures in Column C were the correct measure of the correlative rights of the owners in the pool, then the Commission was obligated to use them as the sole measure for allocating allowable in the pool unless it was impracticable to do so. This is clearly true since the statute requires the Commission to allocate allowable on the basis of correlative rights insofar as "it is practicable to do so." §65-3-14(a) and §65-3-13(c) N.M.S.A., 1953.

If, as the Commission found (Finding 8, Tr. 11), it was impracticable to so use them because of continuous fluctuation in these figures, the identical impracticality extended to their use as the sole standard for judging which of two formulas under consideration would best protect correlative rights. Yet that is the use which the Commission made of the figures in Column C when it determined in Finding 14 that the 60-40 formula would better protect correlative rights. (See Findings 11 & 14, Tr. 11 & 12).

It is difficult to understand how the Commission can "have it both ways" on this issue of the use of the tract reserve figures in Column C, and have a valid order result. Appellants submit that it cannot, and that the result which followed evidences this invalidity.

The Commission conceivably might urge in support of its Order that it was the "use" of reserve percentages that was impracticable because of fluctuation, rather than any unreliability or error in the figures themselves which resulted in impracticability. Such a position is hardly tenable. It was "initial reserves" that the Commission found for both the pool and the tracts in the pool (Tr. 11). Actual initial reserves do not change. It is the reserve figures available at any given time, which reflect the information available at that time, which change. As the

Commission recognized in its Finding (8), that occurs every time a new well is drilled in the pool.

It follows that it was not the "use" of reserve figures in a mechanical sense, which the Commission found to be impracticable, but rather that the particular figures appearing in Column C had no validity for any sufficient period of time to provide a basis for a formula governing the allocation of production from the pool. Appellants take no position on that question but if that was true, they were equally impracticable as a sole criterion for judging the proposed 60-40 formula against the existing 25-75 formula, and that is the use which the Commission made of them.

Either the reserves found by the Commission and listed in Column C of Exhibit A to Order R-2259-B were, or they were not, the measure of the correlative rights of the tracts in the pool. If they were, the Commission was required by the statute to use them as the basis of allocation of allowable, which it did not do. If they were not, because of fluctuation as the Commission found in its Finding No. 8, then it could not validly make them the sole criterion for determining whether the 60-40 or the 25-75 formula better protected correlative rights. To do so had all of the vice and none of the virtue of using the reserve figures themselves. The resulting Order of the Commission was clearly invalid.

That a formula so selected should result in allowables in the pool which are grossly inequitable and a serious abuse of correlative rights is not surprising. Even if the Commission's arbitrary decision that the 0.7 to 1.3 range was within an acceptable tolerance is accepted as sound, the resulting allowables obviously fail to meet the requirements of the statute as to the protection of correlative rights.

The schedule of wells included in Exhibit A to the Commission's Order (Tr. 14) includes 699 wells in the Basin-Dakota Pool. Of that

total number only 352 wells in Column J fall within the Commission's acceptable tolerance, leaving 347 out of 699 wells, or substantially one-half, which are suffering a serious abuse of correlative rights under the 60-40 formula, when tested by the Commission's own standards.

Furthermore, by its Finding 15, the Commission finds (Tr. 12):

> "(15) That numerous wells in the Basin-Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as is practicable, prevent drainage between producing tracts which is not equalized by counter drainage."

Drainage, not equalized by counter-drainage, occurs when a well withdraws more than its proportionate share of the underlying gas in the pool. As the Commission found, numerous wells in the pool are capable of draining other tracts in this manner.

It would follow that a proration formula which is to minimize such drainage must hold to a minimum the number of wells receiving an allowable greater in relation to the total pool allowable than the relation of their reserves to the total pool reserves. In Finding 15 the Commission finds that its proposed 60-40 formula will "insofar as practicable" prevent such drainage.

The fact is, however, that it appears from the face of the Order itself (Column J) that under the 60-40 formula 371 of the 699 wells will receive more than 100% of their just and equitable shares of the pool allowable, and hence, drain adjoining tracts. Under the 25-75 formula, (Column G), however, the Order shows that only 277 wells will receive more than the 100% which the statute fixes as their just and equitable share of the pool reserves.

If the comparison is limited to wells exceeding the Commission's

acceptable tolerance of 1.3 or 130%, a comparable result occurs (Column J). Under the 60-40 formula, 200 wells receive more than 130% of their just and equitable shares of the allowable, whereas, under the 25-75 formula, only 173 of the 699 wells fall in this category. Substantially increased drainage under the 60-40 formula is thus inevitable, with resulting waste and injury to the correlative rights of the tracts in the pool.

The conclusion seems apparent. The arbitrary and unreasonable character of Finding No. 15 is established by the contents of the Order itself. The Commission refused to use the tract reserve figures of Exhibit A as the basis for allocating allowable on the ground that they fluctuated too much, yet made them the sole criterion for judging the two formulas under consideration, and adopted the one which it found to most closely approximate the use of those very reserve figures. If those figures were a reliable measure of the correlative rights in the pool, as the Commission accepted them to be by the use it made of them, the statute required their use directly, not through a formula which gave only half the wells in the pool the allowable to which they were thus entitled. The findings and data contained in Order R-2259-B clearly establish the failure of the Commission to protect correlative rights as required by the statute, and hence the invalidity of the Order. The failure of the trial court to so hold was error which requires reversal of the trial court's judgment.

POINT III.

THE TRIAL COURT ERRED IN SUSTAINING THE COMMISSION ORDER WHICH WAS NOT BASED ON SUBSTANTIAL EVIDENCE.

In the trial court, Appellants requested the following findings of fact to the effect that Order R-2259-B was not supported by substantial evidence (Tr. 102, 103):

> "16. Order No. R-2259-B is not supported by substantial evidence."
>
> "18. Findings No. (9), (10), (11), (13), (14), (15), (16), and (17), of Order R-2259-B are not supported by substantial evidence in that each is based directly, or indirectly, upon a comparison of initial recoverable reserves for the individual tracts in the Basin Dakota Pool with current deliverabilities of the wells located upon said tracts. The comparison so made is not meaningful, is illusory and discriminatory, and does not constitute substantial evidence to support the findings so based upon it."
>
> "19. There is no substantial evidence to support Finding No. 13 of the Commission that correlative rights are not being adequately protected under the present 25-75 formula and that waste will result unless the Commission acts to protect correlative rights."
>
> "21. There is no substantial evidence in the record to support Commission's Findings 9, 10, 11, 13, 14, 15, 16 and 17, in that each is based upon a determination of the initial recoverable gas reserves in the Basin Dakota Gas Pool and the initial recoverable gas reserves underlying each non-marginal tract which fails to take into account the portion of the recoverable gas in place which can be produced without waste."

Appellants also requested the trial court to make a conclusion of law, as follows (Tr. 103):

> "3. Order No. R-2259-B is unreasonable and unlawful and void by reason of the fact that the findings of fact upon which it is predicated are not supported by substantial evidence."

These requested findings and conclusions were denied by the

trial court (Decision of the Court, Tr. 123 at 130), which refusal constitutes reversible error.

The findings contained in Order No. R-2259-B which are attacked as being unsupported by substantial evidence are as follows (Tr. 161, 162):

> "(11) That the most reasonable basis for allocating production in the Basin-Dakota Gas Pool is to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, said relationship hereinafter referred to as the tract's A/R Factor, and to select the allocation formula that will allow the maximum number of wells in the pool to produce with an ideal tract A/R Factor of 1.0, or with a tract A/R Factor of from 0.7 to 1.3 which, due to inherent variance in interpreting and computing reserves, is within a reasonable tolerance."
>
> "(13) That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights."
>
> "(14) That, based upon the December 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting wells to receive their just and equitable share of the gas in the pool, insofar as can be determined."
>
> "(15) That numerous wells in the Basin-Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as is practicable, prevent drainage between producing tracts which is not equalized by counter drainage."
>
> "(16). That an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and

equitable share of the reservoir energy."

"(17) That Order No. R-1670-C should be amended to provide an allocation formula for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, based 60 percent on acreage and 40 percent on acreage times deliverability."

Finding No. 11 of Order No. R-2259-B set forth above (Tr. 161) describes the procedure used by the Commission to determine the weight to be given to the factors of acreage and deliverability in the proration formula. Under this procedure the Commission determined for each tract the allowables it would receive under the 25-75 and 60-40 formulae. These allowables were then expressed as percentages of the total pool allowable and compared to the tract's reserves, expressed as a percentage of total pool reserves. From such a comparison the Commission determined that more tracts would receive allowables commensurate with their reserves under the 60-40 formula than under the 25-75 formula (Finding No. 16; Tr. 162). The Commission then concluded that correlative rights were not being adequately protected under the 25-75 formula (Finding No. 13; Tr. 161), that correlative rights would be more adequately protected under the 60-40 formula (Finding No. 14; Tr. 162), and that the proration formula for the pool should be revised accordingly (Finding No. 17; Tr. 162).

This procedure would not have been objectionable if allowables had been compared with reserves expressed as the portion of the percentage of total pool reserves which could be recovered without waste, for then, but only then, would each formula have been tested as to its effectiveness to protect correlative rights.[1] But reserves were not

1. As shown under Point I of this brief, each owner's correlative rights are measured by the portion of the amount of recoverable gas under his tract which can be produced without waste, not merely by the amount of recoverable gas under his tract. Continental Oil Company v. Oil Conservation Commission, 70 N.M. 310, 373 P.2d 809 (1962); §65-3-29(h), N.M.S.A., 1953 Comp.

expressed in this manner, and only appear in terms of recoverable gas reserve under each tract (Findings 5, 6, 7 of Order No. R-2259-B; Tr. 161). It is clear, therefore, that the formulae were not tested for their effectiveness to protect correlative rights. It is also clear that the comparison made between allowables and reserves cannot support any finding concerning the effect of either formula on correlative rights.

Simply stated, the Commission could make no finding concerning the effect of either formula upon correlative rights because the Commission had failed to find what those rights were. As stated in Continental Oil Company v. Oil Conservation Commission, 70 N.M. 310, 319, 373 P.2d 809, 814 (1962):

> "That the extent of the correlative rights must first be determined before the Commission can act to protect them is manifest."

The Commission failed to determine the extent of the correlative rights before attempting to devise a proration order to protect them. Since Findings 11, 13 and 14 are integral parts of the procedure followed by the Commission to devise a proration order, and since each of these findings procedes upon the erroneous assumption that correlative rights have been determined, it follows that said findings are not supported by substantial evidence and are invalid.

It should be noted here that the record is devoid of any evidence that waste was occurring under the 25-75 formula or would be prevented more effectively by the 60-40 formula. The lack of evidence on this point seems to have been recognized by the Commission for in Finding 13 of its order, after purporting to find the 25-75 formula was not adequately protecting correlative rights, it states as a conclusion of law that waste will result unless the Commission acts to protect correlative rights.

We do not argue with this conclusion of law (See Continental Oil

Company v. Oil Conservation Commission, 70 N.M. 310, 324, 373 P.2d 809, 818) but merely reiterate that its effectiveness is entirely dependent on the Commission first having validly determined the extent of each owner's correlative rights. Since the Commission has failed in this regard, the finding as to waste is ineffective.

Findings 11, 13 and 14 are subject to further attack as being unsupported by substantial evidence. As shown previously, the procedure followed by the Commission to determine the proration formula involved the computation of an allowable for each tract under each formula and the comparison of that allowable (expressed as a percentage of total pool allowable) with the recoverable reserves for each tract(expressed as a percentage of total pool reserves).

In making the computation of allowables, the Commission used the most current deliverability available for each well or tract. (Finding No. 9, Order No. R-2259-B; Tr. 161). The reserves to which the allowables were compared, however, were initial recoverable reserves (Finding Nos. 5 and 6, Order No. R-2259-B, Tr. 161), with the result that the comparison was meaningless, arbitrary and discriminatory.

An example will show that such a comparison was that of "apples to oranges." Tracts A and B have identical initial reserves and deliverabilities. Tract A is drilled and begins producing gas in the year 1958, but Tract B is not drilled until 1962 and had not begun to produce at the time of the Commission hearing. By 1962, Tract A had produced 15% of its reserves and its deliverability had declined 20%. The Commission, in making its calculation as to the effectiveness of each formula to provide allowables commensurate with reserves, uses current deliverabilities and computes an allowable for Tract A which, under both the

25-75 and 60-40 formulae, would be lower than the allowable for Tract B. Also, Tract A's percentage of total pool allowable will be lower than that for Tract B. So far in the procedure nothing is amiss since a lower percentage of allowable for Tract A is to be expected in view of the decline in its deliverability. These percentages of allowable are then compared, not to the current amount of remaining recoverable reserves (expressed as a percentage), but to the initial recoverable reserves for each tract (expressed as a percentage). For Tract B, the percentage of allowable under one formula is found to coincide with its percentage of reserves and under the other formula its percentage of allowable is slightly more or less than its percentage of reserves. For Tract A, however, the percentage of allowable will not compare favorably with its percentage of initial reserves under either formula, for the allowable has decreased while initial reserves are held as a constant. Furthermore, the apparent discrepancy is more flagrant under the 25-75 formula than the 60-40 formula since the former emphasizes the effect of a reduction in deliverability. The result is to make it appear that the 60-40 formula is more effective than the 25-75 formula to achieve a percentage of allowable commensurate with a tract's percentage of reserves.

Taking a more extreme example may illustrate the fallacy of the comparison of allowables computed from current deliverabilities to initial reserves. Assuming a well to have produced 90% of the recoverable reserves under a tract and assuming the well's deliverability also to have substantially declined, the effect of such a comparison necessarily would be that the allowable under either formula, and especially under the 25-75 formula, would be far below the proper level when compared to initial reserves, whereas if compared to remaining recoverable reserves the

comparison would be much more favorable.

The Commission's failure to use current reserves as well as current deliverabilities in its computations affects more than the weight of the evidence; it renders the entire computation meaningless and leaves Findings 11, 13 and 14 of Order R-2259-B without evidentiary support.

Findings 11, 13 and 14 are the heart of the Commission's order for it is in these findings that the procedure for testing the formulae is devised and the conclusions of such tests stated. Without these findings the order cannot stand. It having been shown that these findings are not based on substantial evidence, it follows that Order No. R-2259-B is invalid, and, accordingly, the decision of the trial court should be reversed.

CONCLUSION

It is respectfully submitted that the judgment of the trial court affirming Order R-2259-B of the Oil Conservation Commission was erroneous and should be reversed.

The Order was fatally defective in that the Commission wholly failed to determine the correlative rights of the tracts in the pool when it failed to meet the requirements of this court's decision in Continental Oil Company, et al., v. Oil Conservation Commission, supra, that it find what portion of each tract's proportion of the recoverable gas in the pool could be produced without waste. Having failed to determine the extent of the correlative rights in the pool, it had no valid standard by which to judge the effect of the 60-40 formula which it adopted. Further, it thus failed to make one of the "basic conclusions of fact" which this court found to be essential in its opinion in the Continental Oil Company case.

When the Commission used as its allocation standard the initial recoverable gas reserves underlying each tract, as set out in Column C, of Exhibit A, attached to the Order, it fell into further error. The statute requires that allowable be prorated "recognizing correlative rights" and that an Order afford each owner the right to produce on the basis of those rights, insofar as practicable. The adoption of the 60-40 formula on the basis that it more closely approximated the effect of using the initial reserves in Column C, gave no recognition to correlative rights, because the portion of those reserves which could be produced without waste was ignored.

Furthermore, even if Column C were accepted as measuring the correlative rights in the pool, as the Commission accepted it, the Order

is invalid because it did not adopt a formula based upon them, but instead, one which only gave approximately one-half of the wells in the pool the allowable to which those reserves would entitle them. In addition, by the Commission's own figures, the formula resulted in 33% more wells producing in excess of their just and equitable shares, and draining adjoining tracts, than under the existing 25-75 formula, with resulting waste and abuse of correlative rights.

In discarding the reserves in Column C as impracticable for use in allocating allowable, yet using them nonetheless as the sole basis for deciding between the two formulas under consideration, the Commission adopted inconsistent positions, which result in the order being inherently defective. The Commission cannot "have it both ways."

Finally, the further result of the failure of the Commission to find the portion of each tract's reserves which could be produced without waste, is that the critical findings on which the Order is based are not supported by substantial evidence, a situation which results in addition, from the error of the Commission in comparing initial reserves to current deliverabilities in testing the formulas under consideration.

That an order which so flaunts the express requirements of the statute and of this court in the Continental Oil Company case, and results in such patent abuses of correlative rights, could be valid and have been correctly affirmed by the trial court seems unlikely. The judgment of the trial court should be reversed.

Respectfully submitted,

BEN R. HOWELL
GARRETT C. WHITWORTH
El Paso Natural Gas Company
ElPaso, Texas

KENT B. HAMPTON
Marathon Oil Company
Casper, Wyoming

J. K. SMITH
Pan American Petroleum Corporation
P. O. Box 1410
Ft. Worth, Texas

Seth, Montgomery, Federici & Andrews

By: William Federici
P. O. Box 2307
Santa Fe, New Mexico

Atwood & Malone

By: Louis C. Malone
P. O. Drawer 700
Roswell, New Mexico

Attorneys for Appellants

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,	)	
Petitioners and Appellants,	)	
v.	)	No. 7727
OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,	)	
Respondents and Appellees.	)	

Appeal From The District Court of
San Juan County

C. C. McCulloh, District Judge
Division I

REPLY BRIEF OF APPELLANTS

Atwood & Malone
P. O. Drawer 700
Roswell, New Mexico

Kent B. Hampton
Marathon Oil Company
Casper, Wyoming

Ben R. Howell
Garrett C. Whitworth
El Paso Natural Gas Company
El Paso, Texas

J. K. Smith
Pan American Petroleum Corporation
P. O. Box 1410
Ft. Worth, Texas

Seth, Montgomery, Federici & Andrews
P. O. Box 2307
Santa Fe, New Mexico

Attorneys for Appellants

INDEX TO REPLY BRIEF OF APPELLANTS

TABLE OF AUTHORITIES

New Mexico Cases

Statutes

REPLY TO APPELLEES' OBJECTIONS TO STATEMENT OF THE FACTS

The attack by Appellants on the Statement of the Facts in Appellants' Brief-in-Chief is without merit. Under the unusual circumstances of this case, only by the inclusion of the material which appears in the Statement of Facts was it possible to serve the purpose of the Statement of Facts described by this Court in Stanton v. Bokum, 66 N.M. 256, 259, 346 P.2d 1039 (1959), where the Court said:

> "Counsel for the Appellant as well as many other attorneys apparently sometimes lose sight of the purpose of this statement which is to make known to the appellate court the trial court's appraisal of the facts and disposition of the issues and to aid the court in determining the questions at issue in the appeal. All pertinent facts should be included in this statement, not just the evidence most favorable to ones own client. If counsel fails to appraise the court of all the facts then we are compelled to search the record or to do without a complete or correct knowledge of the facts. We are loath to do either." (Emphasis supplied).

The case at bar is unusual in two respects insofar as preparation of a Statement of the Facts is concerned. First, the issues arise in an appeal from an order of an administrative agency, in this instance the Oil Conservation Commission. Under the decisions of this court, review of that decision by the District Court is limited to the record before the Oil Conservation Commission. In this case and in other such appeals with which the authors of this brief are familiar, the findings of fact of the trial court alone do not provide the information which is required to acquaint the court with the issues presented on the appeal and the facts bearing upon them. In such cases a narrative statement limited to the facts found by the District Court is insufficient to "appraise the court of all the facts."

In the case at bar, Appellants sought to present to the court, in an

objective fashion, the issues before the Commission and the disposition of them. Anything less than the Statement of the Facts included in Appellants' Brief-in-Chief would not have been adequate to serve the purpose. The basic obligation in such a situation was stated by this court in Hopkins v. Martinez, 73 N.M. 275, 387 P.2d 852 (1963), in these words:

> "When the statement of facts is made in narrative form, however, it must neither be contrary to nor inconsistent with facts found by the court."

The facts stated by Appellants in their Brief-in-Chief were consistent with, and in no respect contrary to, the facts found by the court. It is not asserted in Appellees' Objection To The Statement of Facts that any fact stated by Appellants was "contrary to or inconsistent with facts found by the court." Only in the reference to the testimony of Consolidated as to the 30% tolerance at page 4 of the Answer Brief is there any disagreement as to the construction placed upon the testimony by Appellees. In that instance the objection is strictly a matter of semantics.

The Statement of the Facts in this case was unique in another respect. This is as it relates to the requirement that the statement be a narrative of what the trial court found. In this case the trial court itself found nothing as to the crucial questions in the case. The Decision of the trial court appears at Tr. 123 et seq. Findings of Fact of the court numbered 1 to 8, inclusive, are findings as to the procedure by which the case was initiated and heard by the Commission and the proceedings before the Commission. Appellants' Statement of the Facts is a narrative statement of the findings of the court as to these proceedings. Finding No. 10 which deals with the basic issues in the case contains 15 sub-paragraphs dealing with Findings No. 1 to 18 of the Commission. It

makes no finding of fact of the court itself on these issues. It merely finds that "Order No. R-2259-B contained 18 findings to substantiate the adoption of the new formula," and then proceeds to find what the Commission determined by its findings 1 to 18, inclusive, in Order No. R-2259-B.

It is respectfully submitted that taken alone, findings of the trial court in this case provide no adequate means for making "known to the Appellate Court the trial court's appraisal of the facts and disposition of the issues." For the foregoing reasons it is believed that this case is included in the exception recognized by this court in Henderson v. Texas-New Mexico Pipeline Company, 46 N. M. 458, 461, 131 P.2d 269 (1942) under which testimony, not contrary to, nor inconsistent with, the facts found by the court, may properly be reviewed.

Appellants further submit that an explanation of Exhibit "A", attached to Order R-2259-B, was indispensable "to aid the court in determining the questions at issue in the appeal," that the explanation was appropriately included in the Statement of the Facts by Appellants and that Appellees' attack thereon is groundless.

In numbered paragraph 2 on page 3 of the Answer Brief, Appellees challenged the statement that Column J sets out an A/R factor determined on the basis of the allowable for the month of December, 1962. Yet the Commission itself in finding 14 of the Order said:

> "that, based upon the December, 1962, pool allowable a comparison of the number of non-marginal wells producing with a tract A/R factor, etc." (Emphasis supplied)

It is apparent that Appellees challenged this statement solely in order to provide an opportunity to argue that the A/R factor would be constant for all months until the deliverability of an individual well, or the acreage

dedicated to the well, was found by the Commission to have changed. The argument is clearly fallacious. Each time that a new well is completed, its deliverability determined and the well placed on the proration schedule, a change in the A/R factor of all wells in the pool necessarily will occur as a result of the reallocation of allowable among the wells in the pool on a basis which Appellees admit has no direct correlation with reserves.

REPLY TO APPELLEES' ANSWER TO POINT I OF APPELLANTS

The principal thrust of this appeal insofar as Appellants are concerned is directed to the failure of the Commission to make the fourth finding of fact which this court said in Continental Oil Company v. Oil Conservation Commission, 70 N.M. 310, 373 P.2d 809 (1962), was jurisdictional and hence, essential to the validity of an order changing a gas proration formula.

The arguments and ingenious analyses of Order R-2259-B which are included in Appellees' Answer Brief, do not change the fact that the Commission wholly failed to consider this fourth and final requirement of the Continental Oil Company case and wholly failed to determine "what portion of the proportion so arrived at could be recovered without waste. In all probability the reason that the omission occurred was that Appellees had presented no evidence onthe question and, hence, the Commission could not make a finding on the subject which would be supported by evidence of any character.

As this court so clearly pointed out in the Continental Oil Company Opinion, "if the Commission had determined, from a practical standpoint, that each owner had a certain amount of gas; and that a determined amount

of gas could be produced and obtained without waste; then the Commission would have complied with the mandate of the statute. . ." But it did not do so.

The determinations which the Commission did make as to (1), the amount of recoverable gas under each producer's tract; (2), the total amount of recoverable gas in the pool; and (3), the proportion that (1) bears to (2), are of no consequence whatever until the Commission determines what portion of the arrived at proportion can be recovered without waste. It is that "portion of the arrived at proportion which can be recovered without waste" that measures the correlative rights of each owner in the pool, and, hence, measures the extent to which protection of his correlative rights entitles him to participate in the allowable allocated by the Commission. By the same token a determination that one proration formula protects the correlative rights of the owners in a pool better than another can only be made on the basis of a comparison of the result of the use of each formula upon the recovery of the "portion of the arrived at proportion" so determined which can be produced without waste.

Because operators have no right under the law to commit waste in the production of the reserves under their properties, no valid proration formula can be selected on the basis that it is better correlated to reserves, irrespective of waste. Yet, that is exactly what the Commission did when it selected the 60-40 formula on the basis that it was better correlated to the tract reserves in Column C of Exhibit A, when no consideration was given to whether they could be produced without waste.

Even if the Commission had made the fourth required finding, if

it had then selected a formula on the basis of its effect on the reserves in Column C, rather than on the reserves which could be produced without waste, an invalid order clearly would have resulted. In the case at bar, both violations occurred, the one as the inevitable result of the other. No finding as to the portion which could be produced without waste was made, so necessarily the new formula was selected on the basis of this effect upon all reserves, and not just the portion which could be produced without waste. The resulting order is doubly invalid under both the statute and the Continental Oil Company decision.

Appellees have tried several means of evading this result. At the top of page 10 of their Answer Brief they say "the fourth finding, simply stated, arises out of findings No. 11 and 14 of Order No. R-2259-B and is specifically itemized for each tract in Column J of Exhibit A. . ." The concept that a finding which is expressly required as a prerequisite for the validity of an order can be found to "arise out of" the order when not contained therein is unique. Again, at the top of page 11 Appellees assert:

> "Stated even more exactly, the A/R factor for each tract is a mathematical definition of 'what portion of the arrived proportion can be recovered . . .' from that tract under that allocation formula. Thus, Column J of Exhibit A which sets forth the A/R factor for each well under the 60-40 allocation formula is a precise and complete fulfillment by the Commission of the above quoted portion of the Fourth Finding listed in the Continental case."

It is obvious that the deficiency in Order R-2259-B cannot be cured by such an analysis. Column J sets forth the A/R factor from the wells under the 60-40 formula. Under the 75-25 formula the different A/R factors shown in Column G result. But the "portion of the arrived at proportion which can be produced without waste" measures the correlative rights of the owners in the pool. Therefore, if Appellees are correct in their position, correlative rights change with each formula

and would be determined by the formula adopted. The fact is that the rights are fixed and the formula is to be adopted on the basis of its effect on those rights. The statute provides that the formula adopted shall protect those rights as fully as practicable, not that it shall change them.

It is the function of the four jurisdictional findings to provide the measure of the correlative rights of the operators. Those rights do not vary with the proration formula adopted. Column J, therefore, does not and cannot provide the required fourth finding of the Continental Oil Company case, which the Commission failed to make.

Appellants devote a large portion of their argument to establishing that the Commission considered waste in issuing Order R-2259-B. Appellants at no time asserted that the Commission did not give consideration to waste in the promulgation of this Order. Appellants did assert, and do assert, that the Commission failed to determine the correlative rights of the parties when they failed to determine "the portion of the arrived at proportion" of the reserves that could be produced without waste. Consideration given by the Commission to the waste that may or may not be inherent in any particular proration formula is not the equivalent of determining the correlative rights of the owners and the Order remains fatally defective.

Appellees themselves apparently entertain some doubt as to their ability to convince this Court that the fourth finding is to be found in Order R-2259-B. Having devoted eight pages of their brief an effort to show that the required finding was made by the Commission, they then assert in Part B of their Answer To Point I that the finding is not necessary anyhow because neither the statute nor the Continental case in fact require it.

This argument does not seem to merit a detailed answer. The statutory language clearly contemplates such a determination and this court has unequivocally held in the Continental Oil Company v. Oil Conservation Commission that it is the law of New Mexico that this finding is jurisdictional. Any argument that the finding should not be necessary should be addressed to the legislature unless Appellees seek to have this court retract its opinion in the Continental Oil Company case. The latter would seem unlikely in the light of the record in this case and the statements in Appellees' briefs.

At page 20 of the Answer Brief, Appellees complain that Appellants have failed to define their contention as to what procedure the Commission should have followed in making the fourth finding, and speculate that Appellants contend for some "ritualistic sequence" in order to make a valid order. It was the obligation of Appellees, seeking to change the proration formula in the Basin-Dakota Pool, to present evidence to the Commission meeting the requirements of the decision of this court in the Continental Oil Company case. Thereafter, if the Commission concluded that the proration formula should be changed it was required by the Continental Oil Company decision to make the four findings set out in that case in order to establish the correlative rights of the parties and, hence, demonstrate the validity of the proposed new order. It is obvious that Appellees had competent, expert engineering and geological testimony available at the hearing. No doubt it was their failure to interrogate their witnesses on this aspect of the correlative rights of the owners that resulted in the failure of the Commission to make the required finding. In no event, however, can any such failure be laid at the door of Appellants, neither are Appellants obliged to instruct Appellees in the appropriate

methods of meeting the requirements of the New Mexico law for determination of correlative rights as implied by the statements in Appellees' Brief.

At page 23 of their Brief Appellees assert that to meet the requirement of the Continental Oil Company's Opinion as to the fourth finding "is not only impracticable but is an insoluble anomaly." There is no evidence to that effect in the record by witnesses qualified to testify to such a conclusion. It is respectfully suggested that such an assertion could only be made appropriately in a case where evidence to that effect had been presented by qualified witnesses as to a particular pool. In no event can such an assertion be entertained for the first time on appeal in ex parte statements of Counsel.

In concluding their reply to Appellees' Answer to Point No. I, Appellants submit that it has been shown in their Brief-in-Chief and in this Reply Brief that the failure to determine that portion of the recoverable reserves under each tract which can be produced without waste is far more than a technical omission. It is a failure to find the extent of each owners' correlative rights, a determination which must be made before the Commission can act to protect them. It also is a failure to comply with the mandate of the Supreme Court in the Continental Oil Company case. These failures are fatal to the validity of Order R-2259-B and the trial court erred in no so holding.

REPLY TO APPELLEES' ANSWER TO POINT II OF APPELLANTS

The A portion of Appellees' Answer to Point II of Appellants is devoted to a straw-man issue erected by Appellees and wholly fails to meet

or answer Appellants' proposition that the affirmative findings of Order R-2259-B demonstrate that the Order is unlawful and unreasonable. Nowhere in their brief did Appellants oppose or criticize the making of reserve determinations. Neither did they assert that to do so is "impracticable," "foolish" or "useless." In so implying at page 26 of the Answer Brief, Appellees erect a straw man which they then demolish with great skill and effectiveness. It is difficult to understand, however, the relevance of a discussion of the desirability of the making of reserve studies when no contention to the contrary has been made by Appellants.

Appellants did contend in their Point II, and here reassert, that Appellees placed the Commission on the horns of a dilemma. They induced the Commission to find (Finding No. 8):

> "That it is impracticable to allocate production solely on the basis of the percentage of pool reserves due to the continuous fluctuation in reserve computations resulting from new completions in the pool and re-evaluation of reserves of existing wells." (Emphasis supplied)

At the same time they induced it to accept the 60-40 formula on the basis that it resulted in allowables more closely correlated to the same unreliable, fluctuating tract reserves as they were computed at the time of the hearing.

In selecting the 60-40 formula because of its alleged closer correlation to reserves as then computed, the Commission "cemented in" these reserve computations as the measure of the correlative rights of tracts in the pool for as long as the 60-40 formula remains in use. Yet its use of those reserve figures in this manner is subject to the identical vices which the Commission, in its finding No. 8, found prevented the use of reserve figures as the measure of the right of the operators to receive allocations of allowable.

If, as the Commission found, the 60-40 formula was preferable

because it came closer to giving each owner the allowable to which he was entitled on the basis of the tract reserves in Column C of Exhibit A, then allocation on the basis of those reserves was more preferable because it would have given each tract the exact allowable to which it was entitled on that basis. True, to have done so would have "cemented in" those reserve calculations until the formula was changed, but that is exactly what the Commission did in Order R-2259-B, as pointed out above.

The impracticality of using tract reserve figures because of fluctuation in computations exists to the same extent in either use of Column C, yet the Commission selected the use (the 60-40 formula) which gave only approximately half of the wells in the pool the allowable to which they are entitled when the other use would have given 100% of the wells the correct allowable. The statute requires that in allocating allowable correlative rights shall be protected insofar as practicable. The Commission, by its own findings in Order R-2259-B, established that it has not done so. Such an order does not meet the requirements of the statute and should have been vacated by the trial court on the basis of the findings in the order itself.

There is no question but that Section 65-3-13 (c) N.M.S.A., 1953 permits the Commission, in protecting correlative rights, to give equitable consideration to "acreage, pressure, open flow, porosity, permiability, deliverability, quality of the gas and other pertinent factors." This permission, however, is not in derogation of the obligation and duty of the Commission to "afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool," so far as it is practicable to do so. (Section 65-3-14 N.M.S.A., 1953) Thus these factors can only be used to the extent that

they protect correlative rights so far as practicable. They cannot be used, as the Commission here used them, to do injury to the correlative rights of approximately half of the wells in the pool.

The answer to proposition C included in Appellees' Answer To Point II of Appellants (Answer Brief page 30) is obvious. In the first place, the fact that more wells will receive in excess of their correlative rights under the 60-40 formula, than would be the case under the 75-25 formula, with the resulting drainage and abuse of correlative rights, is not an erroneous conclusion and does not proceed from false premises. It is an arithmetic fact that is established by the Order itself. Appellees suggest that Appellants' argument proceeds on a false premise in that it considers the number of wells which receive more or less than their share of the allowable rather than the quantities of gas involved. This is not the case. Finding 11 of the Commission which accepts the comparison of the tract A/R factors obtained through use of the two formulas as the basis for deciding between them, expressly does so on the basis of the statement in the finding that the Commission's objective is "to select the allocation formula which will allow the maximum number of wells in the pool to produce with an ideal tract A/R factor of one," not the maximum amount of gas.

By way of summary, it is again pointed out that Appellees have not, and cannot, escape the fact that under the 60-40 formula promulgated by the Order under review, 347 out of 699 wells, by the Commission's own figures, are suffering a serious abuse of correlative rights when tested by the Commission's own standards which accept the range between .7 and 1.3 as the acceptable protection of correlative rights. Neither can Appellees escape the fact that, under the 60-40 formula, 371 of 699 wells in the pool will receive more than their just and equitable share of the pool

allowable, with resulting drainage of adjoining tracts, as against 277 under the 75-25 formula. Furthermore, as pointed out in Appellant's Brief-in-Chief, if consideration is given only to those wells which exceed the 1.3 upper limit of tolerance, under the 60-40 formula 200 wells will receive in excess of the maximum amount to which they are entitled, whereas, under the 75-25 formula, only 173 wells fall in this category.

Appellants reassert that the contents of Order R-2259-B itself demonstrate that it is arbitrary, unreasonable and unlawful.

REPLY TO APPELLEES' ANSWER TO POINT III OF APPELLANTS

Subdivision A of Appellees' Answer to this point is devoted entirely to urging that Appellants failed to comply with Rule 15 (6) of the Supreme Court Rules which provides in part:

> "***A contention that a ** finding of fact is not supported by substantial evidence will not ordinarily be entertained, unless the party so contending shall have stated in his brief the substance of all evidence bearing upon the proposition, with proper references to the transcript."

Appellants are aware of the requirements of this Rule but they have no application in the case at bar.

Appellants' attack on the validity of Order R-2259-B, under its Point III, was based on the proposition that there was no evidence before the Commission as to the portion of the tract reserves tabulated in Column C of Exhibit "A" which could be produced without waste. Lacking evidence of any kind as to what "portion of the arrived at proportion" could be produced without waste and, hence, lacking proof as to the correlative rights of the parties, Appellants asserted, and here re-assert, that all findings in the order which purported to determine the effect of

the 60-40 and 75-25 proration formulas on the correlative rights of the parties lacked support of substantial evidence. There being no evidence as well as no finding on that subject, all findings purporting to deal with the correlative rights of the owners, or the effect of proration formulas upon them, likewise are not supported by substantial evidence.

In answer to Appellees' contention that there was no summary of evidence bearing upon the proposition, Appellants state that there was no evidence presented to the Commission bearing upon the "portion of the arrived at proportion" of the gas in the pool which could be produced without waste, and, hence, there was no evidence which Appellants were required to summarize under Rule 15 (6).

Appellees, in their Answer to Point I, set out in great detail certain portions of the Order which they urged constituted required Finding No. 4. No doubt they will assert that the evidence on which Column J was based bore upon the proposition and should have been summarized. For the reasons pointed out in this reply brief Appellees do not acquiesce in the statement that any of that evidence was intended to or did bear upon the "portion of the arrived at proportion" which could be produced without waste and therefore assert that Appellants were under no obligation to summarize this, or any other of the evidence before the Commission.

Undoubtedly, it was this same failure to introduce evidence upon which the required fourth finding might have been based that resulted in the failure of the Commission to meet the requirements of the Continental Oil Company case that the Commission find ". . . that each owner had a certain amount of gas; and that a determined amount of gas could be produced and obtained without waste; . . ." (Emphasis supplied)

If Appellants are correct in their position that the Commission

wholly failed to make required finding No. 4, the question of whether or not there was evidence in the record which would have supported such a finding is of secondary importance. It is submitted, however, that the language of this court in the Continental Oil Company case at 70 N. M. 326 is equally applicable to the case at bar:

> "Ordinarily, the result would be to remand the case for another hearing before the trial court with the Commission as an adverse party and the court merely considering whether the action of the Commission was fraudulent, arbitrary or capricious, whether the order was supported by substantial evidence, and whether the action of the administrative body was within the scope of its authority. However, in this particular instance, we can conceive of no benefit which would result in such action, because there can be only one final conclusion based on the record before the Commission, and that is that the order of the Commission is void."
> (Emphasis added)

REPLY TO APPELLEES' POINT IV

Appellees' Point IV is not in answer to any of Appellants' points relied on for reversal, as such. It asserts that all attacks made by Appellants in its Brief-in-Chief are upon the findings of the Commission in this case when they should have been on the findings of the trial court. From that premise Appellees reason that the trial court's findings have not been attacked and are conclusive on appeal.

The general proposition that the trial court's findings are conclusive on appeal unless attacked is too well established to require comment. The application of that rule in that case at bar, however, can provide no solace for Appellees.

Examination of the findings made by the trial court in its Decision (Tr. 123) discloses that these findings consist entirely of a recitation of the proceedings before the Commission (Findings 1 to 9 inclusive) followed by a "Mother Hubbard finding" (Finding No. 10, Tr. 126) which

finds no facts whatever bearing upon the issues in this case. Instead, it enumerates the findings of the Commission and in each instance the court merely recites what the Commission determined by its findings. There is no issue here as to what the Commission found. The issue is as to the validity of its findings.

Such unorthodox findings of fact in an appeal from a decision of an administrative agency are highly unusual and of questionable validity. Whether or not valid, however, it must be conceded that it would have been absolutely impossible for Appellants to attack on appeal any portion of the court's finding No. 10 because the Commission in fact did determine by its findings the various matters which are there recited. However, that did not make the determinations valid. The issue on appeal was not whether the Commission determined those things by its order, but whether or not those findings of the Commission were supported by substantial evidence. That question is one of law and not of fact.

It was when the trial court concluded as a matter of law in its Conclusion No. 5 that "the findings contained in Oil Conservation Commission Order R-2259-B are based upon, and supported by, substantial evidence," that it made the crucial determination so far as the Commission's order was concerned. That determination was a judicial conclusion on a question of law. Johnson v. Sanchez, 67 N.M. 41, 351 P.2d 449 (1960); Ferguson-Steere Motor Company v. State Corporation Commission, 63 N.M. 137, 314 P.2d 894 (1957); Ross v. State Racing Commission, 64 N.M. 478, 330 P.2d 701 (1958). As such it was subject to review in this court irrespective of whether an attack was made upon the findings of fact which accompanied it.

The determination of whether or not there was substantial evidence

before the Commission to support the findings of the Commission being a question of law, it was subject to review by the trial court. A decision on that question required the trial court to determine, as it did, whether the Commission's findings were supported by substantial evidence. A review of the correctness of that decision by this Court required this Court to consider whether there was substantial evidence before the Commission and, hence, required Appellants to support the negative of that issue as it has done.

As above pointed out, to have attacked the "Mother Hubbard findings" of the trial court in this case would have been the ultimate in futility in view of the fact that the only issue which they raise was whether the Commission in fact made the determinations stated, and nothing more.

In Wilson v. Employment Security Commission, 74 N. M. 3, 389 P. 2d 855 (1963), this court was considering the function of the trial court on review of an order of an administrative agency where the Commission's findings of fact were attacked. Its decision in that case conclusively demonstrates the error in Appellees' Point IV. At page 858 of the Pacific report this court said:

> "In so determining, the reviewing court must determine whether the commission's findings of fact are supported by substantial evidence. The trial court shall adopt as its own such of the commission's findings of fact as it determines to be supported by substantial evidence and shall make such conclusions of law and decision as lawfully follow therefrom. If the district court determines that the legal evidence before the commission fails to substantially support such findings or decision, then the district court shall make its own findings of fact, conclusions of law and decision based only upon the legal evidence before the commission."

Two conclusions are indicated by foregoing statement of this Court. The first is that the trial court in the case at bar did not perform the function required of it in entering judgment in this review proceeding.

It failed to "adopt as its own such of the Commission's findings of fact as it determines to be supported by substantial evidence. . ." Had it done so, an attack on the trial court's findings would have been proper. Because it did not do so and merely found that the Commission had determined "thus and so" by its Order, any attack on Findings had to be on the findings of the Commission.

Irrespective of the foregoing considerations, however, the conclusion of the trial court that the findings of the Commission were supported by substantial evidence was the decision of a question of law. As such, it was subject to review in this Court whether or not the trial court's findings of fact were directly attacked also. Appellees' Point IV is without merit.

CONCLUSION

For the reasons stated in Appellants' Brief-in-Chief and in this Reply Brief, the judgment of the trial court was in error and should be reversed.

Respectfully submitted,

BEN R. HOWELL
GARRETT C. WHITWORTH
El Paso Natural Gas Company
El Paso, Texas

Kent B. Hampton
Marathon Oil Company
Casper, Wyoming

J. K. SMITH
Pan American Petroleum Corporation
P. O. Box 1410
Ft. Worth, Texas

Seth, Montgomery, Federici & Andrews

By _____
P. O. Box 2307
Santa Fe, New Mexico

ATWOOD & MALONE

By _____
P. O. Drawer 700
Roswell, New Mexico

Attorneys for Appellants.

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners and Appellants,

vs.

NO. 7727

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents and Appellees.

APPEAL FROM THE DISTRICT COURT OF

SAN JUAN COUNTY

C. C. McCulloh, District Judge

Division I

TRANSCRIPT OF RECORD

IN THE SUPREME COURT OF THE STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners and Appellants,

vs. NO. _____

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents and Appellees.

APPEAL FROM THE DISTRICT COURT OF

SAN JUAN COUNTY

C. C. McCulloh, District Judge

Division I

TRANSCRIPT OF RECORD

Appearance in District Court:

For Petitioners:

For El Paso Natural Gas Company and Sunset International Petroleum Corporation

Seth, Montgomery, Federici & Andrews
Santa Fe, New Mexico

For Pan American Petroleum Corporation and Marathon Oil Company

Atwood and Malone
Roswell, New Mexico

For Beta Development Company

Verity, Burr, Cooley & Jones
Farmington, New Mexico

For Respondents:

For Oil Conservation Commission of New Mexico, Jack M. Campbell, Chairman, E. S. Walker, Member and A. L. Porter, Jr., Member and Secretary.

O. E. Payne, Assistant Attorney General
State of New Mexico
Santa Fe, New Mexico

J. M. Durrett, Jr., Special Assistant Attorney General
State of New Mexico
Santa Fe, New Mexico

For Consolidated Oil & Gas, Inc.

Kellahin & Fox
Santa Fe, New Mexico

For Humble Oil and Refining Company

Hervey, Dow & Hinkle
Roswell, New Mexico

For Intervenors:

Sunray DX Oil Company and Texaco, Inc.

Gilbert, White & Gilbert
Santa Fe, New Mexico

I N D E X

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED AUG 20 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

PETITION FOR REVIEW

Come now El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Southwest Production Company and Sunset International Petroleum Corporation, by their attorneys, and state:

1. Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation and Sunset International Petroleum Corporation are corporatinns organized under the laws of the State of Delaware and authorized to do business in the state of New Mexico; petitioner Marathon Oil Company is a corporation organized under the laws of the State of Ohio and authorized to do business in the State of New Mexico; petitioner Southwest Production Company is a partnership consisting of Joseph P. Driscoll and John H. Hill, doing business as a partnership in the State of New Mexico.

2. Respondent Oil Conservation Commission of New Mexico is a duly organized agency of the State of New Mexico, whose members are Jack M. Campbell, Chairman, E. S. Walker, and A. L.

Porter, Jr., Secretary; respondent Consolidated Oil & Gas, Inc. is a corporation organized under the laws of the State of Colorado and authorized to do business in the State of New Mexico.

3. On April 18 through April 21, 1962, respondent Oil Conservation Commission of New Mexico considered at hearing the application of respondent Consolidated Oil & Gas, Inc. to change the proration formula for the Basin-Dakota Gas Pool located in San Juan, Rio Arriba and Sandoval Counties, New Mexico, from a formula based twenty-five percent upon acreage and seventy-five percent upon acreage multiplied by deliverability to a formula based sixty percent upon acreage and forty percent upon acreage multiplied by deliverability. By its Order No. R-2259, dated June 7, 1962, the Commission denied the application. Consolidated Oil & Gas, Inc. then applied for rehearing which was granted by Commission Order No. R-2259-A, dated July 7, 1962. On July 9, 1963, following rehearing, respondent Oil Conservation Commission of New Mexico, acting by its members, respondents herein, entered its Order No. R-2259-B changing the proration formula for the Basin-Dakota Gas Pool in accordance with the application of respondent Consolidated Oil & Gas, Inc. On July 26, 1963, petitioner El Paso Natural Gas Company filed with the Commission its Application for Rehearing setting forth the respect in which such Order was believed to be erroneous, which Application for Rehearing was denied by the Commission in its Order No. R-2259-C dated August 1, 1963. On July 29, 1963, petitioners Pan American Petroleum Corporation, Marathon Oil Company, Southwest Production Company and Sunset International Petroleum Corporation filed with the Commission their Applications for Rehearing setting forth the respect in which Order No. R-2259-B was believed to be erroneous, which Applications for Rehearing also were denied

by the Commission in its Order No. R-2259-C, dated August 1, 1963. Copies of said Orders Nos. R-2259-B and R-2259-C are attached hereto as Exhibits "A" and "B" respectively and are incorporated herein by reference. Copies of the Applications for Rehearing filed with the Commission by El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Southwest Production Company and Sunset International Petroleum Corporation are attached hereto as Exhibits "C", "D", "E", "F" and "G" respectively and are incorporated herein by reference.

4. Petitioners, having filed their Applications for Rehearing, as stated above, are dissatisfied with the Commission's disposition of said applications and hereby appeal therefrom.

5. Petitioners each own property in San Juan County, New Mexico, which is affected by said Orders Nos. R-2259-B and R-2259-C.

6. Petitioners complain of said Order No. R-2259-B, attached hereto as Exhibit "A" and incorporated herein by reference, and as grounds for asserting the invalidity of said Order petitioners adopt the grounds set forth in their respective Applications for Rehearing, attached hereto and incorporated herein by reference, and state:

a. Finding 6 of said Order No. R-2259-B, which Finding is to the effect that the initial recoverable gas reserves underlying each nonmarginal tract are the reserves shown in Column C of Exhibit "A" attached to said Order, is erroneous for the following reasons:

(1) The evidence in the record does not support such Finding and the Commission's determinations of individual tract figures are apparently obtained from calculations made on rehearing by Consolidated Oil & Gas, Inc. which were based upon data as to average reserves obtained at the time of the original

Hearing by Consolidated Oil & Gas, Inc. from estimates in the files of El Paso Natural Gas Company, which data is shown by the undisputed evidence to have been revised and replaced by different data as more information became available from drilling of additional wells, resulting in changing the estimates of average reserves. The parameters used in making estimates for entire townships were often based upon core data obtained from one well which data was shown by core data obtained from subsequent wells not to be representative of the entire area.

(2) The conclusions offered by Consolidated Oil & Gas, Inc., which have been adopted as Findings by the Commission, were based upon estimates made by El Paso Natural Gas Company as a portion of a continuing reserve study of reserves underlying the entire Basin, which studies, as testified by the witness, David H. Rainey, are the best available for determining total pool reserves and for establishing the general relationship between well reserves and well deliverabilities for the pool but are not designed for or accurate to determine the reserves underlying any particular tract.

(3) The determinations of fact are based solely upon the conclusions of Consolidated Oil & Gas, Inc.; are not supported by evidence in the record and such determinations are erroneously used by the Commission by reaching the further conclusions contained in Findings Nos. 7 and No. 10, thus basing one set of conclusions upon another set of conclusions without direct support in the record.

b. Since the initial recoverable gas reserves for each individual tract are in error, the percentages of pool reserves attributable to each nonmarginal tract and the tract acreage factors listed in said Exhibit "A" are also in error; accordingly, said Order No. R-2259-B fails to afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool, insofar as this can be

done without waste, and for such purpose to use his just and equitable share of the reservoir energy, and is therefore violative of correlative rights.

c. Findings Nos. 10, 12 and 13 of the Commission's Order are not supported by the evidence for the reason that the deliverabilities shown in Column B of Exhibit "A" of the Commission's Order are the most recent deliverabilities while the reserves shown in Column C of said Exhibit "A" are estimates of initial reserves and a comparison of the relationship between reserves and deliverability is discriminatory when the ratio of initial reserves to current deliverability of one tract which has produced over a period of several years is compared with the ratio of initial reserves to initial deliverability of another tract. Since the Commission has obviously used initial reserves in comparison with current deliverabilities in making its Findings Nos. 10, 12 and 13, such Findings are clearly erroneous and are in conflict with undisputed evidence that such comparison is discriminatory.

d. The Commission's Order, which the statute requires be predicated upon the prevention of waste, is not based upon any evidence in the record that waste is occurring under the present 25-75 formula or that waste will be prevented by the 60-40 formula proposed by Consolidated and adopted by the Commission. The Commission's effort to preducate its Order upon waste in Finding No. 13 proceeds upon the erroneous theory, unsupported by evidence, that waste is being caused wherever a violation of correlative rights is found to exist. Finding No. 14 that waste will be prevented by the 60-40 formula is unsupported by any evidence in the record.

e. The Commission in its Order has failed to make a finding which under the law must be made in order to change an existing proration order, to-wit: the portion of each tract's proportion of the total pool reserves which can be recovered

without waste. The record contains no evidence upon which such finding can be made.

f. The record does not contain evidence upon which the findings required by the statute to be made before changing the existing proration order can be based, and the rights acquired by the owners of tracts who have developed their properties under an existing order have been prejudiced by changing the basis of allocation without evidence to support such changes. Specifically, there is no evidence to support the Commission's finding as to the reserves underlying each individual tract; there is no evidence to support a finding, and none was made, or the portion of each tract's proportion or the total pool reserves which can be recovered without waste; there is no evidence to support the Commission's finding that the protection of correlative rights is a necessary adjunct to the prevention of waste and that waste will result unless the Commission acts to protect correlative rights; and there is no evidence in the record that waste is occurring or will occur under the existing allocation formula.

g. That Order No. R-2259-B was improperly entered by the Commission contrary to the rules of the Commission and the law of the State of New Mexico.

h. That Order No. R-2259-B determines in Finding No. 10 that there is no direct correlation between acreage and reserves and yet such Order, irrespective of such finding, bases the proration formula sixty percent upon acreage. That this manifestly demonstrated the invalidity of such Order. That Finding No. 11 specifically determines that the formula in the Order is merely a makeshift so that the average tract in the pool will receive an allowable relatively close to that to which it is entitled and thereby manifestly demonstrates that the Order is invalid as to all tracts which do not happen to fit the average norm of the pool. That it is improper for the

proper factor and that a statement that the application of such improper factor will do justice in the average instance, does not lend validity to the Order based on such admitted improper factors.

i. That Order No. R-2259-B was entered by the Commission without proper findings as required by law and that such Order is not supported by evidence required to give the Commission power and authority to enter and promulgate such Order.

j. That Order No. R-2259-B was entered by the Commission changing a previous proration order for the Basin-Dakota Pool without any showing that there was any change of condition between the entry of Order No. R-1670-C and the entry of said Order No. R-2259-B, or any showing that would justify the Commission in changing a proration order previously entered by the Commission after application and hearing. That it is improper for the Commission to promulgate a proration order after due and proper notice to all parties and hearing upon the merits and then later set such order aside without any showing of change of condition or any other grounds to justify the Commission in changing an order previously entered.

k. That this Commission improperly conducted the rehearing upon which Order No. R-2259-B was founded, in that it admitted improper evidence and testimony over the objection of petitioners, all of which renders said Order invalid.

l. That Order No. R-2259-B promulgates a proration order which will result in waste being committed and which does not protect the correlative rights of all producers in the Pool but to the contrary, destroys correlative rights and interferes with and destroys the correlative rights of petitioners.

7. Petitioners further complain of said Order No. R-2259-C,

attached hereto as Exhibit "B" and incorporated by reference, which Order denies their Applications for Rehearing, and as grounds for asserting the invalidity of said Order show that Finding No. 3 of said Order "That Order No. R-2259-B is proper in all respects" is erroneous for the reasons set forth in said Application for Rehearing; said Order also is erroneous in failing to grant petitioners' Applications for Rehearing and the relief prayed for therein.

8. Inasmuch as Order No. R-2259-B is erroneous, invalid and void, and inasmuch as said Order will cause irreparable harm to petitioners, the operation of said Order should be stayed and suspended during the pendency of this proceeding to review.

WHEREFORE, petitioners pray:

1. That the Court review the Orders complained of and declare them erroneous, invalid and void.

2. That the Court stay and suspend the operation of said Orders during the pendency of this proceeding to review.

3. For such further relief as the Court deems proper.

SETH, MONTGOMERY, FEDERICI & ANDREWS
Santa Fe, New Mexico

By s/ Wm Federici

s/ Ben Howell
BEN HOWELL
El Paso, Texas

s/ Garrett C. Whitworth
GARRETT C. WHITWORTH
El Paso, Texas

Attorneys for Petitioners
El Paso Natural Gas Company and
Sunset International Petroleum
Corporation.

ATWOOD AND MALONE
Roswell, New Mexico

By: s/ Charles F. Malone
Attorneys for Petitioners
Pan American Petroleum Corporation
and Marathon Oil Company

VERITY, BURR, COOLEY & JONES
Farmington, New Mexico

By: s/ Geo L Verity
Attorneys for Petitioner
Southwest Production Company

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2504
Order No. R-2259-B

APPLICATION OF CONSOLIDATED OIL & GAS, INC.,
FOR AN AMENDMENT OF ORDER NO. R-1670-C,
CHANGING THE ALLOCATION FORMULA FOR THE
BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA
AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for rehearing at 9 o'clock a.m. on February 14, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of July, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-1670-C, entered by the Commission on November 4, 1960, established Special Rules and Regulations for the Basin-Dakota Gas Pool and adopted, by reference, Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670.

(3) That Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670, allocates production on the basis of 25 percent acreage plus 75 percent acreage times deliverability, hereinafter referred to as the 25-75 formula.

(4) That the applicant, Consolidated Oil & Gas, Inc., seeks amendment of the Special Rules and Regulations for the Basin-Dakota Gas Pool to allocate production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

EXHIBIT "A"

(5) That the initial recoverable gas reserves in the Basin-Dakota Gas Pool, insofar as can be determined, total approximately 2.255 trillion cubic feet, of which approximately 96 billion cubic feet is attributed to marginal wells, which are permitted to produce at capacity.

(6) That the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool are as shown in Column C, Tract Reserves, of Exhibit A attached hereto and made a part hereof.

(7) That the percent of the total pool reserves attributable to each non-marginal tract in the Basin-Dakota Gas Pool is as shown in Column D, Percent of Pool Reserves, of Exhibit A.

(8) That it is impracticable to allocate production solely on the basis of the percentage of pool reserves due to the continuous fluctuation in reserve computations resulting from new completions in the pool and re-evaluation of reserves of existing wells.

(9) That the tract acreage factor for each non-marginal well in the Basin-Dakota Gas Pool is as shown in Column A of Exhibit A; that the deliverability for each non-marginal well, insofar as can be determined, is as shown in Column B of Exhibit A.

(10) That in the Basin-Dakota Gas Pool there is no direct correlation between deliverability and reserves, or acreage and reserves, and that, therefore, neither should be used as the sole criterion for distributing the total pool allowable among the tracts.

(11) That the most reasonable basis for allocating production in the Basin-Dakota Gas Pool is to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, said relationship hereinafter referred to as the tract's A/R Factor, and to select the allocation formula that will allow the maximum number of wells in the pool to produce with an ideal tract A/R Factor of 1.0, or with a tract A/R Factor of from 0.7 to 1.3, which, due to inherent variance in interpreting and computing reserves, is within a reasonable tolerance.

(12) That the percentage of deliverability and the percentage of acreage included in the allocation formula affect the percentage of the total pool allowable assigned to each non-marginal well in the pool, thereby affecting the number of wells in the pool producing with a tract A/R Factor of from 0.7 to 1.3.

(13) That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights.

(14) That, based upon the December 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined.

(15) That numerous wells in the Basin-Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as is practicable, prevent drainage between producing tracts which is not equalized by counter drainage.

(16) That an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

(17) That Order No. R-1670-C should be amended to provide an allocation formula for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, based 60 percent on acreage and 40 percent on acreage times deliverability.

(18) That, due to the time required to administer a new allocation formula for a prorated gas pool, this order should not be effective until August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C, are hereby amended by adoption of the following:

RULE 9(C): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the following manner:

1. Forty percent (40%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. Sixty percent (60%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's acreage factor bears to the total acreage factor for all non-marginal wells in the pool.

(2) That Order No. R-2259 is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

(4) That this order shall be effective August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

EXHIBIT A

ORDER NO. R-2259-B

ALLOCATION FORMULAE 25 PERCENT ACREAGE 75 PERCENT ACREAGE TIMES DELIVERABILITY

AND

60 PERCENT ACREAGE 40 PERCENT ACREAGE TIMES DELIVERABILITY

BASIN DAKOTA TRACT/POOL RESERVES AND ALLOCATION

ARRANGED IN THE ORDER OF PIPELINE AND OPERATOR

DESCRIP.				COL A	COL B	COL C	COL D	25-75 FORMULA			60-40 FORMULA		
WELL	S	T	R	AF	DAILY DELIV	TRACT RES. MMCF	PCT. POOL RES.	COL E MCF ALLOW	COL F PCT. POOL ALLOW	COL G A/R FACTOR	COL H MCF ALLOW	COL I PCT. POOL ALLOW	COL J A/R FACTOR
EL PASO NATURAL GAS PIPELINE SYSTEM													
ADOBE OIL COMPANY													
1G 20	31	13		92	330	947	.043866	3874	.05622	* 1.28	6322	.09172	* 2.09
1G 19	27	11	1	002	1333	37800	.175008	9477	.13755	* .79	9680	.14055	* .80
1N 20	31	11		92	379	95500	.044006	4111	.05597	1.36	6448	.09336	* 2.13
1N 28	31	11	3	000	5663	17335	.080036	5434	.07889	** .98	7524	.10992	* 1.36
1A 25	30	11	3	000	5566	20933	.096934	5398	.07883	** .98	7505	.10892	* 1.35
1K 22	31	11	3	000	5882	15788	.073009	5534	.08033	** 1.10	7577	.11000	* 1.52
1N 14	31	11	3	000	4388	22051	.095002	4778	.06933	* .73	7174	.10411	* 1.00
1K 11	31	11	3	098	1633	23000	.106552	3267	.04744	.44	6276	.09115	* .86
1K 33	31	11	3	100	3755	21300	.098667	4447	.06455	.65	6998	.10155	* 1.03
1G 21	31	13	1	000	551	10000	.046322	5371	.07799	1.68	7491	.10887	2.35
AINSLIE PERRAULT INVESTMENT COMPANY													
1M 20	25	9	1	000	930	12000	.055588	7361	.10681	1.92	8552	.12411	2.23
AMERADA PETROLEUM CORPORATION													
3N 23	25	5	1	000	168	50887	.235611	3360	.04881	.21	6418	.09311	.40
6E 22	26	5	1	000	395	22597	.122022	4552	.06611	.55	7054	.10244	* .85
9D 22	22	5	1	000	944	33815	.111002	5471	.07941	.70	7380	.10719	.45
9D 16	22	5	1	000	974	25500	.115799	2439	.03540	.30	6376	.09259	.21
9A 20	22	4	5	100	233	15000	.069477	1474	.02140	.38	1248	.01812	.61
AZTEC OIL AND GAS COMPANY													
3D 34	22	9	1	3	458	31645	.146555	4883	.07099	.48	7230	.10499	* .72
4D 34	22	9	1	3	1231	33755	.156332	8942	.12988	* .83	9395	.13639	* .87
2D 22	22	8	1	3	258	3094	.143330	1606	.23324	1.63	13195	.19155	1.34
BAYVIEW OIL CORPORATION													
1M 7	27	12		48	186	37226	.172588	1658	.02411	.14	3105	.04511	.26
BENSON MONTIN GREER DRILLING CORPORATION													
1A 18	27	12	1	000	126	23022	.106562	3140	.04556	.43	6300	.09144	* .86
X 1F 11	22	7	1	3	1000	1621	33692	.116778	1009	.15599	* .95	10487	.15222	* .91
1A 34	28	1	3	100	660	25599	.120388	5944	.08635	* .72	7796	.11311	* .94

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL										
BLAYLOCK 58	ANDREWS	INDEPENDENT	OLSEN	COMPANY						
M. A. JONES	ANDREWS	JR. ASSOC.	JAMES	PRODUCING						
THE MEEK 1667	ANDREWS	MERIDIAN OIL	ANDREWS	PRODUCING	UNITED	COMPANY				
ALEXANDER 2344	ANDREWS	MITCHELL ENERGY	ANDREWS	PRODUCING						
CAULDRON 1	ANDREWS	COMPANY	ANDREWS	PRODUCING						
COMPTON 1	ANDREWS	RATLIFF	ANDREWS	PRODUCING						
CONSOLIDATED 1	ANDREWS	OIL	ANDREWS	GAS	CORP.					
CONTINENTAL 1	ANDREWS	OIL	ANDREWS	PRODUCING						
DELHI-ID 1	ANDREWS	OIL	ANDREWS	PRODUCING						
STELLAR 3	ANDREWS	SYNERGY	ANDREWS	PRODUCING						

DESCRIPTION	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL	R	S	S	S	S	S	S	S	S	S
1	0	0	0	3	7	9	3	0	2	1
2	0	0	0	6	6	7	7	1	3	0
3	0	0	0	9	5	6	0	1	4	1
4	0	0	0	2	4	5	3	1	5	0
5	0	0	0	5	3	4	6	1	6	1
6	0	0	0	8	2	3	9	1	7	0
7	0	0	0	1	1	2	2	1	8	1
8	0	0	0	4	0	1	5	1	9	0
9	0	0	0	7	9	0	8	2	0	1
10	0	0	0	0	8	9	1	2	1	0
11	0	0	0	3	7	8	4	2	2	1
12	0	0	0	6	6	7	7	2	3	0
13	0	0	0	9	5	6	0	2	4	1
14	0	0	0	2	4	5	3	2	5	0
15	0	0	0	5	3	4	6	2	6	1
16	0	0	0	8	2	3	9	2	7	0
17	0	0	0	1	1	2	2	2	8	1
18	0	0	0	4	0	1	5	2	9	0
19	0	0	0	7	9	0	8	3	0	1
20	0	0	0	0	8	9	1	3	1	0
21	0	0	0	3	7	8	4	3	2	1
22	0	0	0	6	6	7	7	3	3	0
23	0	0	0	9	5	6	0	3	4	1
24	0	0	0	2	4	5	3	3	5	0
25	0	0	0	5	3	4	6	3	6	1
26	0	0	0	8	2	3	9	3	7	0
27	0	0	0	1	1	2	2	3	8	1
28	0	0	0	4	0	1	5	3	9	0
29	0	0	0	7	9	0	8	4	0	1
30	0	0	0	0	8	9	1	4	1	0
31	0	0	0	3	7	8	4	4	2	1

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL	CORPORATION	COMPANY	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
LAKE ANDREW	PETROLEUM	CORPORATION	ZONE	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
GULF-KAY	CORPORATION	COMPANY	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
IA-1	CORPORATION	COMPANY	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
KIOWA	CORPORATION	COMPANY	ZONE	SEE	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
LA	CORPORATION	COMPANY	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
MAR-EL	CORPORATION	COMPANY	ZONE	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION
MONSANTO	CHEMICAL	COMPANY	COMPANY	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION	CORPORATION

DESCRIP				COL	COL	COL	COL	COL	COL	COL	COL	COL	COL
WELL	S	T	R	A	B	C	D	E	F	G	H	I	J
NORTHWEST PRODUCTION CORPORATION													
4H	6	26	4	100	371	4348	.20139	4426	.0642	.32	6986	.1014	.50
1M	7	26	5	100	143	3393	.15715	3229	.0469	.30	6348	.0921	.59
1P	7	29	12	100	478	2205	.10213	4988	.0724	* .71	7286	.1057	* 1.03
OCCIDENTAL PETROLEUM CORPORATION													
4K	6	26	5	100	812	4200	.19453	6742	.0978	.50	8221	.1193	.61
1A	6	26	5	100	307	4241	.19643	4090	.0594	.30	6807	.0988	.50
PAN AMERICAN PETROLEUM CORPORATION													
1D	27	28	13	100	603	3960	.18341	5644	.0819	.45	7636	.1108	.60
1B	12	27	13	100	2477	4736	.21936	15484	.2247	* 1.02	12884	.1870	* .85
9M	10	25	5	100	132	4654	.21556	3171	.0460	.21	6317	.0917	.43
10N	9	25	5	100	2728	4221	.19550	16802	.2438	* 1.25	13587	.1972	* 1.01
11K	4	25	5	100	93	4221	.19551	2966	.0430	.22	6208	.0901	.46
13J	9	25	5	100	792	4300	.19916	6637	.0963	.48	8165	.1185	.59
9N	15	25	5	100	1911	4437	.20551	12512	.1816	* .88	11299	.1640	* .80
13C	15	25	5	100	160	4500	.20842	3318	.0482	.23	6396	.0928	.45
12K	32	26	5	100	355	3300	.15285	4342	.0630	.41	6942	.1007	.66
13I	30	26	5	100	388	4000	.18527	4515	.0655	.35	7034	.1021	.55
16E	30	26	5	100	920	4700	.21769	7309	.1061	.49	8524	.1237	.57
1G	31	26	5	100	452	3900	.18063	4851	.0704	.39	7213	.1047	.58
1M	22	28	12	100	383	4219	.19541	4489	.0651	.33	7020	.1019	.52
1F	27	30	12	100	613	1800	.08337	5697	.0827	* .99	7664	.1112	1.33
PIONEER PRODUCTION COMPANY													
1A	8	29	13	100	176	2300	.10653	3402	.0494	.46	6440	.0935	* .88
2P	8	29	13	100	85	1000	.04632	2924	.0424	* .92	6185	.0898	1.94
1N	7	29	11	96	915	4297	.19902	6991	.1015	.51	8169	.1186	.60
1K	6	29	12	100	1643	1600	.07411	11105	.1612	2.18	10549	.1531	2.07
1G	29	30	12	100	580	1700	.07874	5524	.0802	* 1.02	7572	.1099	1.40
1I	28	30	12	100	702	1800	.08337	6164	.0895	* 1.07	7913	.1148	1.38
1M	8	28	11	104	3254	2190	.10143	20347	.2953	2.91	15663	.2273	2.24
1J	33	30	12	100	1330	2800	.12969	9462	.1373	* 1.06	9672	.1404	* 1.08
2L	33	30	12	100	771	2300	.10653	6526	.0947	* .89	8107	.1176	* 1.10
1B	24	29	12	100	3173	3600	.16674	19139	.2777	1.67	14833	.2153	* 1.29
1A	32	29	11	100	1854	3832	.17749	12213	.1772	* 1.00	11140	.1617	* .91
1C	22	28	11	100	2380	3650	.16905	14975	.2173	* 1.29	12613	.1830	* 1.08
1C	16	28	11	100	1613	2920	.13525	10948	.1589	* 1.17	10465	.1519	* 1.12
2P	22	28	11	100	3685	4745	.21977	21828	.3167	1.44	16267	.2361	* 1.07
1E	4	29	13	100	140	4200	.19453	3213	.0466	.24	6340	.0920	.47
4I	16	28	11	100	4105	3772	.17471	24033	.3488	2.00	17443	.2531	1.45
5N	10	28	11	103	1809	2900	.13432	12336	.1790	1.33	11344	.1646	* 1.23
1M	13	29	12	100	2790	3528	.16340	17128	.2486	1.52	13761	.1997	* 1.22
1L	29	29	11	100	2838	4360	.20195	17380	.2522	* 1.25	13895	.2016	* 1.00
1J	12	29	13	100	715	4860	.22510	6232	.0904	.40	7950	.1154	.51
1J	4	29	12	100	341	2095	.09703	4269	.0619	.64	6902	.1002	* 1.03
1E	3	29	12	100	390	3100	.14358	4526	.0657	.46	7040	.1022	* .71
PUBCO PETROLEUM CORPORATION													
9N	9	29	12	100	561	3417	.15827	5424	.0787	.50	7519	.1091	.69
5B	5	29	12	100	1353	2646	.12255	9582	.1391	* 1.14	9736	.1413	* 1.15
6B	6	29	11	90	952	2903	.13446	6729	.0976	* .73	7752	.1125	* .84
2L	34	28	10	100	3098	4790	.22186	18745	.2720	* 1.23	14623	.2122	* .96
1O	1	29	11	95	988	3100	.14358	7283	.1057	* .74	8279	.1201	* .84
30I	36	30	12	100	626	2710	.12552	5765	.0837	.67	7701	.1117	* .89
26N	36	29	11	98	3090	3832	.17748	18329	.2660	1.50	14309	.2076	* 1.17
28B	36	29	10	100	1800	1700	.07874	11930	.1731	2.20	10988	.1595	2.03
29N	36	29	10	100	2808	2200	.10190	17222	.2499	2.45	13811	.2004	1.97

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL										
RANGE										
42										
MAP	BOUNDARY									
1	0	553	2000	0926	5382	0781	84	7496	1088	17
SKELLYTOWN	0000000	PANZER UNIT	1800000	0	5382	0	•	7496	1088	17
22	0000000	1	1800000	0	5382	0	•	7496	1088	17
23	0000000	1	1800000	0	5382	0	•	7496	1088	17
24	0000000	1	1800000	0	5382	0	•	7496	1088	17
25	0000000	1	1800000	0	5382	0	•	7496	1088	17
26	0000000	1	1800000	0	5382	0	•	7496	1088	17
27	0000000	1	1800000	0	5382	0	•	7496	1088	17
28	0000000	1	1800000	0	5382	0	•	7496	1088	17
29	0000000	1	1800000	0	5382	0	•	7496	1088	17
30	0000000	1	1800000	0	5382	0	•	7496	1088	17
31	0000000	1	1800000	0	5382	0	•	7496	1088	17
32	0000000	1	1800000	0	5382	0	•	7496	1088	17
33	0000000	1	1800000	0	5382	0	•	7496	1088	17
34	0000000	1	1800000	0	5382	0	•	7496	1088	17
35	0000000	1	1800000	0	5382	0	•	7496	1088	17
36	0000000	1	1800000	0	5382	0	•	7496	1088	17
37	0000000	1	1800000	0	5382	0	•	7496	1088	17
38	0000000	1	1800000	0	5382	0	•	7496	1088	17
39	0000000	1	1800000	0	5382	0	•	7496	1088	17
40	0000000	1	1800000	0	5382	0	•	7496	1088	17
41	0000000	1	1800000	0	5382	0	•	7496	1088	17
42	0000000	1	1800000	0	5382	0	•	7496	1088	17
43	0000000	1	1800000	0	5382	0	•	7496	1088	17
44	0000000	1	1800000	0	5382	0	•	7496	1088	17
45	0000000	1	1800000	0	5382	0	•	7496	1088	17
46	0000000	1	1800000	0	5382	0	•	7496	1088	17
47	0000000	1	1800000	0	5382	0	•	7496	1088	17
48	0000000	1	1800000	0	5382	0	•	7496	1088	17
49	0000000	1	1800000	0	5382	0	•	7496	1088	17
50	0000000	1	1800000	0	5382	0	•	7496	1088	17
51	0000000	1	1800000	0	5382	0	•	7496	1088	17
52	0000000	1	1800000	0	5382	0	•	7496	1088	17
53	0000000	1	1800000	0	5382	0	•	7496	1088	17
54	0000000	1	1800000	0	5382	0	•	7496	1088	17
55	0000000	1	1800000	0	5382	0	•	7496	1088	17
56	0000000	1	1800000	0	5382	0	•	7496	1088	17
57	0000000	1	1800000	0	5382	0	•	7496	1088	17
58	0000000	1	1800000	0	5382	0	•	7496	1088	17
59	0000000	1	1800000	0	5382	0	•	7496	1088	17
60	0000000	1	1800000	0	5382	0	•	7496	1088	17
61	0000000	1	1800000	0	5382	0	•	7496	1088	17
62	0000000	1	1800000	0	5382	0	•	7496	1088	17
63	0000000	1	1800000	0	5382	0	•	7496	1088	17
64	0000000	1	1800000	0	5382	0	•	7496	1088	17
65	0000000	1	1800000	0	5382	0	•	7496	1088	17
66	0000000	1	1800000	0	5382	0	•	7496	1088	17
67	0000000	1	1800000	0	5382	0	•	7496	1088	17
68	0000000	1	1800000	0	5382	0	•	7496	1088	17
69	0000000	1	1800000	0	5382	0	•	7496	1088	17
70	0000000	1	1800000	0	5382	0	•	7496	1088	17
71	0000000	1	1800000	0	5382	0	•	7496	1088	17
72	0000000	1	1800000	0	5382	0	•	7496	1088	17
73	0000000	1	1800000	0	5382	0	•	7496	1088	17
74	0000000	1	1800000	0	5382	0	•	7496	1088	17
75	0000000	1	1800000	0	5382	0	•	7496	1088	17
76	0000000	1	1800000	0	5382	0	•	7496	1088	17
77	0000000	1	1800000	0	5382	0	•	7496	1088	17
78	0000000	1	1800000	0	5382	0	•	7496	1088	17
79	0000000	1	1800000	0	5382	0	•	7496	1088	17
80	0000000	1	1800000	0	5382	0	•	7496	1088	17
81	0000000	1	1800000	0	5382	0	•	7496	1088	17
82	0000000	1	1800000	0	5382	0	•	7496	1088	17
83	0000000	1	1800000	0	5382	0	•	7496	1088	17
84	0000000	1	1800000	0	5382	0	•	7496	1088	17
85	0000000	1	1800000	0	5382	0	•	7496	1088	17
86	0000000	1	1800000	0	5382	0	•	7496	1088	17
87	0000000	1	1800000	0	5382	0	•	7496	1088	17
88	0000000	1	1800000	0	5382	0	•	7496	1088	17
89	0000000	1	1800000	0	5382	0	•	7496	1088	17
90	0000000	1	1800000	0	5382	0	•	7496	1088	17
91	0000000	1	1800000	0	5382	0	•	7496	1088	17
92	0000000	1	1800000	0	5382	0	•	7496	1088	17
93	0000000	1	1800000	0	5382	0	•	7496	1088	17
94	0000000	1	1800000	0	5382	0	•	7496	1088	17
95	0000000	1	1800000	0	5382	0	•	7496	1088	17
96	0000000	1	1800000	0	5382	0	•	7496	1088	17
97	0000000	1	1800000	0	5382	0	•	7496	1088	17
98	0000000	1	1800000	0	5382	0	•	7496	1088	17
99	0000000	1	1800000	0	5382	0	•	7496	1088	17
100	0000000	1	1800000	0	5382	0	•	7496	1088	17

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL										
D	0000000000	191	350	16211	34811	0505	31	6482	0941	58
TEXACO-ADELAIDE #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
TEXACO-ADAMS #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
TEXACO-DEFAJI #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
J	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
WESTEX-STOUT #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
W-L-SOUTH #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
PAN AMERICAN-ADAMS #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
PAN AMERICAN-ADAMS #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
PAN AMERICAN-ADAMS #1	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
PETROLEUM CORP. PIPELINE SYSTEM	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
PETROLEUM CORPORATION	0000000000	2211	3500	16211	34811	0505	31	6482	0941	58
.2537	0.	4119	2700	1250	2410	.3498	2.80	17483	.2537	2.03

DESCRIPTION	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL STATUS	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
PLANT NUMBER	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
PLANT NAME	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
AMERICAN NATURAL RESOURCES COMPANY	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
SOUTHERN UNION GAS COMPANY	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
ASPEN CHASE PIPELINE SYSTEM	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
ATLANTIC REFINING COMPANY	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE
ANADARKO PRODUCTION COMPANY	COMPANY USE	PERCENT BURNED GAS	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE	COMPANY USE

DESCRIP. WELL	S	T	R	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
1J	2	29	12	100	738	3500	.16210	6353	.0922	.57	8014	.1163	* .72
8H	19	28	10	100	3736	4440	.20565	22095	.3206	1.56	16410	.2381	* 1.16
6M	19	28	10	100	1919	3972	.18397	12554	.1822	* .99	11322	.1643	* .89
1B	30	28	10	101	2280	3700	.17137	14595	.2118	* 1.24	12456	.1808	* 1.06
18K	18	28	9	100	1655	3000	.13896	11168	.1621	* 1.17	10582	.1536	* 1.11
19B	18	28	9	100	1320	2405	.11139	9409	.1365	* 1.23	9644	.1399	* 1.26
20A	19	28	9	94	1020	2304	.10671	7364	.1069	* 1.00	8276	.1201	* 1.13
21L	19	28	9	94	2809	2906	.13460	16194	.2350	1.75	12985	.1884	1.40
22N	7	28	9	108	891	2204	.10208	7729	.1122	* 1.10	9118	.1323	* 1.30
23L	17	28	9	100	955	3006	.13923	7493	.1087	* .78	8622	.1251	* .90
2G	32	30	12	100	915	1800	.08337	7283	.1057	* 1.27	8510	.1235	1.48
2M	21	29	11	100	2084	2787	.12908	13421	.1948	1.51	11784	.1710	1.32
5G	8	27	9	100	637	1653	.07657	5823	.0845	* 1.10	7731	.1122	1.47
6N	8	27	9	100	738	1377	.06377	6353	.0922	1.45	8014	.1163	1.82
7K	9	27	9	100	320	2020	.09357	4158	.0603	.64	6844	.0993	* 1.06
2M	17	27	11	100	898	3414	.15812	7193	.1044	.66	8462	.1228	* .78
1D	2	29	12	100	979	3300	.15285	7619	.1106	* .72	8689	.1261	* .82
THE BRITISH AMERICAN OIL PRODUCING COMPANY													
2L	27	27	11	100	1516	2500	.11579	10438	.1515	1.31	10193	.1479	* 1.28
3D	26	27	11	100	995	2700	.12505	7703	.1118	* .89	8734	.1267	* 1.01
5B	15	27	11	100	347	2438	.11293	4300	.0624	.55	6919	.1004	* .89
9E	23	27	11	100	1453	3000	.13895	10108	.1467	* 1.06	10017	.1454	* 1.05
CAULKINS OIL COMPANY													
204P	9	26	6	100	1766	10290	.47660	11751	.1705	.36	10893	.1581	.33
244A	14	26	6	100	2149	6957	.32222	13762	.1997	.62	11966	.1736	.54
140A	11	26	6	100	1792	6900	.31959	11888	.1725	.54	10966	.1591	.50
58A	3	26	6	100	517	5652	.26178	5193	.0754	.29	7395	.1073	.41
83J	5	26	6	100	900	6087	.28193	7204	.1045	.37	8468	.1229	.44
4A	33	27	6	100	808	4373	.20255	6721	.0975	.48	8210	.1191	.59
8A	34	27	6	100	726	3924	.18174	6290	.0913	.50	7981	.1158	.64
321M	15	26	6	100	3126	11000	.50949	18892	.2742	.54	14702	.2133	.42
62A	2	26	6	100	1162	4000	.18527	8580	.1245	.67	9202	.1335	* .72
113M	2	26	6	100	1185	6000	.27790	8700	.1263	.45	9266	.1345	.48
268H	16	26	6	100	715	11159	.51685	6232	.0904	.17	7950	.1154	.22
233D	16	26	6	100	824	10290	.47660	6805	.0987	.21	8255	.1198	.25
COMPASS EXPLORATION INCORPORATED													
1B	4	29	13	100	386	6480	.30013	4505	.0654	.22	7028	.1020	.34
1M	25	30	13	100	1446	1600	.07411	10071	.1461	1.97	9997	.1451	1.96
1M	26	30	13	100	801	2657	.12307	6684	.0970	* .79	8191	.1189	* .97
2A	26	30	13	100	1087	1530	.07086	8186	.1188	1.68	8992	.1305	1.84
SOUTHERN UNION PRODUCTION COMPANY													
4A	35	29	11	100	2000	3300	.15285	12980	.1884	* 1.23	11548	.1676	* 1.10
CONSOLIDATED OIL AND GAS INCORPORATED													
1K	18	31	12	100	1410	2887	.13371	9882	.1434	* 1.07	9896	.1436	* 1.07
1H	4	31	13	100	234	2000	.09264	3707	.0538	.58	6603	.0958	* 1.03
1A	25	31	13	100	585	2051	.09499	5550	.0805	* .85	7586	.1101	* 1.16
1M	15	26	7	100	183	2000	.09264	3439	.0499	.54	6460	.0937	* 1.01
1J	22	31	13	100	561	1800	.08337	5424	.0787	* .94	7519	.1091	1.31
1K	9	31	13	100	206	1300	.06021	3560	.0517	* .86	6534	.0947	1.57
1N	7	31	12	100	709	2100	.09726	6201	.0900	* .93	7933	.1151	* 1.18
1B	24	26	8	100	602	2554	.11830	5639	.0818	.69	7633	.1108	* .94
2C	15	26	8	100	686	1405	.06507	6080	.0882	1.36	7869	.1142	1.76
3A	26	26	8	100	183	2000	.09264	3439	.0499	.54	6460	.0937	* 1.01
1G	28	31	13	100	492	1500	.06947	5061	.0734	* 1.06	7325	.1063	1.53

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
ABANDONED WELL	0	0	0	0	0	0	0	0	0	0
ACTIVE WELL	1	1	1	1	1	1	1	1	1	1
ARAPAHOE	1	1	1	1	1	1	1	1	1	1
ARVADA	1	1	1	1	1	1	1	1	1	1
AURORA	1	1	1	1	1	1	1	1	1	1
BOULDER	1	1	1	1	1	1	1	1	1	1
BRIGHTON	1	1	1	1	1	1	1	1	1	1
CASTLE ROCK	1	1	1	1	1	1	1	1	1	1
CENTENNIAL	1	1	1	1	1	1	1	1	1	1
CHERRY HILLS VILLAGE	1	1	1	1	1	1	1	1	1	1
COLUMBINE VALLEY	1	1	1	1	1	1	1	1	1	1
COMMERCE CITY	1	1	1	1	1	1	1	1	1	1
CONIFER	1	1	1	1	1	1	1	1	1	1
CONSTRUCTION	1	1	1	1	1	1	1	1	1	1
DEAD	1	1	1	1	1	1	1	1	1	1
DEER TRAIL	1	1	1	1	1	1	1	1	1	1
DENVER	1	1	1	1	1	1	1	1	1	1
DRY	1	1	1	1	1	1	1	1	1	1
EDGEWATER	1	1	1	1	1	1	1	1	1	1
ENGLEWOOD	1	1	1	1	1	1	1	1	1	1
EVERGREEN	1	1	1	1	1	1	1	1	1	1
FEDERAL HEIGHTS	1	1	1	1	1	1	1	1	1	1
FOXFIELD	1	1	1	1	1	1	1	1	1	1
FRANKTOWN	1	1	1	1	1	1	1	1	1	1
GARDEN CITY	1	1	1	1	1	1	1	1	1	1
GENESEE	1	1	1	1	1	1	1	1	1	1
GEORGETOWN	1	1	1	1	1	1	1	1	1	1
GLENDALE	1	1	1	1	1	1	1	1	1	1
GOLDEN	1	1	1	1	1	1	1	1	1	1
GREENWOOD VILLAGE	1	1	1	1	1	1	1	1	1	1
HARTSEL	1	1	1	1	1	1	1	1	1	1
HIDDEN LAKE	1	1	1	1	1	1	1	1	1	1
HIGHLANDS RANCH	1	1	1	1	1	1	1	1	1	1
HILLROSE	1	1	1	1	1	1	1	1	1	1
HUDSON	1	1	1	1	1	1	1	1	1	1
IDLEDALE	1	1	1	1	1	1	1	1	1	1
INDIANOLA	1	1	1	1	1	1	1	1	1	1
JAMESTOWN	1	1	1	1	1	1	1	1	1	1
JEFFERSON	1	1	1	1	1	1	1	1	1	1
KEENESBURG	1	1	1	1	1	1	1	1	1	1
KIOWA	1	1	1	1	1	1	1	1	1	1
KITTREDGE	1	1	1	1	1	1	1	1	1	1
LAFAYETTE	1	1	1	1	1	1	1	1	1	1
LAKEWOOD	1	1	1	1	1	1	1	1	1	1
LARKSPUR	1	1	1	1	1	1	1	1	1	1
LIMON	1	1	1	1	1	1	1	1	1	1
LITTLETON	1	1	1	1	1	1	1	1	1	1
LOCHBUIE	1	1	1	1	1	1	1	1	1	1
LONE TREE	1	1	1	1	1	1	1	1	1	1
LOUVIERS	1	1	1	1	1	1	1	1	1	1
LOVELAND	1	1	1	1	1	1	1	1	1	1
MANITOU SPRINGS	1	1	1	1	1	1	1	1	1	1
MANZANOLA	1	1	1	1	1	1	1	1	1	1
MEAD	1	1	1	1	1	1	1	1	1	1
MEEKER	1	1	1	1	1	1	1	1	1	1
MERINO	1	1	1	1	1	1	1	1	1	1
MILLIKEN	1	1	1	1	1	1	1	1	1	1
MONUMENT	1	1	1	1	1	1	1	1	1	1
MORRISON	1	1	1	1	1	1	1	1	1	1
NEDERLAND	1	1	1	1	1	1	1	1	1	1
NEW CASTLE	1	1	1	1	1	1	1	1	1	1
NIWOT	1	1	1	1	1	1	1	1	1	1
NORTGLENN	1	1	1	1	1	1	1	1	1	1
OLDE STAGE	1	1	1	1	1	1	1	1	1	1
ORCHARD	1	1	1	1	1	1	1	1	1	1
PARACHUTE	1	1	1	1	1	1	1	1	1	1
PARKER	1	1	1	1	1	1	1	1	1	1
PEETZ	1	1	1	1	1	1	1	1	1	1
PERRY PARK	1	1	1	1	1	1	1	1	1	1
PINE	1	1	1	1	1	1	1	1	1	1
PLATTEVILLE	1	1	1	1	1	1	1	1	1	1
RAYMER	1	1	1	1	1	1	1	1	1	1
REDFEATHER LAKES	1	1	1	1	1	1	1	1	1	1
RESERVE	1	1	1	1	1	1	1	1	1	1
RIFLE	1	1	1	1	1	1	1	1	1	1
ROCKY FORD	1	1	1	1	1	1	1	1	1	1
SALIDA	1	1	1	1	1	1	1	1	1	1
SECURITY	1	1	1	1	1	1	1	1	1	1
SEDALIA	1	1	1	1	1	1	1	1	1	1
SHERIDAN	1	1	1	1	1	1	1	1	1	1
SILT	1	1	1	1	1	1	1	1	1	1
SILVERTHORNE	1	1	1	1	1	1	1	1	1	1
SILVERTON	1	1	1	1	1	1	1	1	1	1
SNYDER	1	1	1	1	1	1	1	1	1	1
SOUTH FORK	1	1	1	1	1	1	1	1	1	1
SOUTH PARK	1	1	1	1	1	1	1	1	1	1
SPRINGFIELD	1	1	1	1	1	1	1	1	1	1
STERLING	1	1	1	1	1	1	1	1	1	1
STRASBURG	1	1	1	1	1	1	1	1	1	1
SUGAR CITY	1	1	1	1	1	1	1	1	1	1
SUNRAY	1	1	1	1	1	1	1	1	1	1
TABERNASH	1	1	1	1	1	1	1	1	1	1
THORNTON	1	1	1	1	1	1	1	1	1	1
TIMNATH	1	1	1	1	1	1	1	1	1	1
TWIN LAKES	1	1	1	1	1	1	1	1	1	1
VALMONT	1	1	1	1	1	1	1	1	1	1
WALDEN	1	1	1	1	1	1	1	1	1	1
WATKINS	1	1	1	1	1	1	1	1	1	1
WELDONA	1	1	1	1	1	1	1	1	1	1
WELLINGTON	1	1	1	1	1	1	1	1	1	1
WESTCLIFFE	1	1	1	1	1	1	1	1	1	1
WESTMINSTER	1	1	1	1	1	1	1	1	1	1
WIGGINS	1	1	1	1	1	1	1	1	1	1
WILEY	1	1	1	1	1	1	1	1	1	1
WOODLAND PARK	1	1	1	1	1	1	1	1	1	1
WOODMOOR	1	1	1	1	1	1	1	1	1	1
WRAY	1	1	1	1	1	1	1	1	1	1
YAMPA	1	1	1	1	1	1	1	1	1	1
YUMA	1	1	1	1	1	1	1	1	1	1
ZAPATA RANCH	1	1	1	1	1	1	1	1	1	1
ZUNI	1	1	1	1	1	1	1	1	1	1

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL	ZERO	GATHERING	COMPANY	SYSTEM	ORDER	COUNTY	STATE	SOUTHERN	ZONE	NUMBER
1	0	1	1	1	1	1	1	1	1	1
2	0	1	1	1	1	1	1	1	1	1
3	0	1	1	1	1	1	1	1	1	1
4	0	1	1	1	1	1	1	1	1	1
5	0	1	1	1	1	1	1	1	1	1
6	0	1	1	1	1	1	1	1	1	1
7	0	1	1	1	1	1	1	1	1	1
8	0	1	1	1	1	1	1	1	1	1
9	0	1	1	1	1	1	1	1	1	1
10	0	1	1	1	1	1	1	1	1	1
11	0	1	1	1	1	1	1	1	1	1
12	0	1	1	1	1	1	1	1	1	1
13	0	1	1	1	1	1	1	1	1	1
14	0	1	1	1	1	1	1	1	1	1
15	0	1	1	1	1	1	1	1	1	1
16	0	1	1	1	1	1	1	1	1	1
17	0	1	1	1	1	1	1	1	1	1
18	0	1	1	1	1	1	1	1	1	1
19	0	1	1	1	1	1	1	1	1	1
20	0	1	1	1	1	1	1	1	1	1
21	0	1	1	1	1	1	1	1	1	1
22	0	1	1	1	1	1	1	1	1	1
23	0	1	1	1	1	1	1	1	1	1
24	0	1	1	1	1	1	1	1	1	1
25	0	1	1	1	1	1	1	1	1	1
26	0	1	1	1	1	1	1	1	1	1
27	0	1	1	1	1	1	1	1	1	1
28	0	1	1	1	1	1	1	1	1	1
29	0	1	1	1	1	1	1	1	1	1
30	0	1	1	1	1	1	1	1	1	1
31	0	1	1	1	1	1	1	1	1	1
32	0	1	1	1	1	1	1	1	1	1
33	0	1	1	1	1	1	1	1	1	1
34	0	1	1	1	1	1	1	1	1	1
35	0	1	1	1	1	1	1	1	1	1
36	0	1	1	1	1	1	1	1	1	1
37	0	1	1	1	1	1	1	1	1	1
38	0	1	1	1	1	1	1	1	1	1
39	0	1	1	1	1	1	1	1	1	1
40	0	1	1	1	1	1	1	1	1	1
41	0	1	1	1	1	1	1	1	1	1
42	0	1	1	1	1	1	1	1	1	1
43	0	1	1	1	1	1	1	1	1	1

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2504
Order No. R-2259-C

APPLICATION OF CONSOLIDATED OIL & GAS, INC., FOR AN AMENDMENT OF ORDER NO. R-1670-C, CHANGING THE ALLOCATION FORMULA FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for reconsideration upon Applications of El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Sunset International Petroleum Corporation, and Southwest Production Company for Rehearing in Case No. 2504, Order No. R-2259-B,

NOW, on this 1st day of August, 1963, the Oil Conservation Commission, a quorum being present, having considered the Applications for Rehearing,

FINDS:

(1) That the Applications for Rehearing do not allege that the applicants for rehearing have new or additional evidence to present in this case.

(2) That the Commission has carefully considered the evidence presented in this case and is fully advised in the premises.

(3) That Order No. R-2259-B is proper in all respects.

(4) That the Applications for Rehearing should be denied.

IT IS THEREFORE ORDERED:

That the Applications of El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Sunset International Petroleum Corporation, and Southwest Production Company for Rehearing in Case No. 2504, Order No. R-2259-B, are hereby denied.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

EXHIBIT "B"
-29-

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL PASO NATURAL GAS COMPANY FOR A REHEARING BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO TO RECONSIDER CASE NO. 2504, ORDER NO. R-2259-B OF SAID COMMISSION, BEING THE APPLICATION OF CONSOLIDATED OIL AND GAS, INC. FOR AN AMENDMENT OF ORDER NO. R-1670-C, CHANGING THE ALLOCATION FORMULA FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.	Case No. 2504

APPLICATION FOR REHEARING

Comes now EL PASO NATURAL GAS COMPANY, a Delaware Corporation, with license to do business in the State of New Mexico, hereinafter called "Applicant," and files this, its application for rehearing before the New Mexico Oil Conservation Commission, hereinafter called "Commission," in the above styled and numbered cause, and, for grounds therefor, would respectfully show:

I.

Hearing was held on this case before the Commission on April 18 through April 21, 1962. By Order No. R-2259, dated June 7, 1962, the Commission denied the Application. Consolidated Oil and Gas, Inc. filed an application for rehearing which was heard by the Commission on February 14, 1963, and by Order No. R-2259-B dated July 3, 1963, and entered on July 9, 1963, the Commission granted the application changing the proration formula for the Basin-Dakota Gas Pool from 25 percent acreage plus 75 percent acreage times deliverability to 60 percent acreage plus 40 percent acreage times deliverability by amending the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C.

EXHIBIT "C"

-30-

The Commission's Order No. R-2259 did not affect applicant in the sense of Rule 1222 of the Statewide Rules of the Commission (Rehearings) in that there was no part of that Order believed by applicant to be erroneous. Applicant is affected in the sense of Rule 1222 for the first time by Order No. R-2259-B issued by the Commission as a result of the rehearing in that said order is believed by applicant to be erroneous in many particulars hereinafter set forth.

II.

Finding 6 of said Order No. R-2259-B, which Finding is to the effect that the initial recoverable gas reserves underlying each non-marginal tract are the reserves shown in Column C of Exhibit A attached to said Order, is erroneous for the following reasons:

A. The evidence in the record does not support such Finding and the Commission's determinations of individual tract figures is apparently obtained from calculations made on rehearing by Consolidated Oil & Gas, Inc. which were based upon data as to average reserves obtained at the time of the original Hearing by Consolidated Oil and Gas, Inc. from estimates in the files of El Paso Natural Gas Company, which data is shown by the undisputed evidence to have been revised and replaced by different data as more information became available from drilling of additional wells, resulting in changing the estimates of average reserves. The parameters used in making estimates for entire townships were often based upon core data obtained from one well which data was shown by core data obtained from subsequent wells not to be representative of the entire area.

B. The conclusions offered by Consolidated Oil and Gas, Inc., which have been adopted as Findings by the Commission, were based upon estimates made by El Paso Natural Gas Company as a portion of a continuing reserve study of reserves underlying the entire Basin, which studies, as testified by the witness David H. Rainey, are the best

available for determining total pool reserves and for establishing the general relationship between well reserves and well deliverabilities for the pool but are not designed for or accurate to determine the reserves underlying any particular tract.

C. The determinations of fact are based solely upon the conclusions of Consolidated Oil & Gas, Inc.; are not supported by evidence in the record and such determinations are erroneously used by the Commission by reaching the further conclusions contained in Findings No. 7 and No. 10, thus basing one set of conclusions upon another set of conclusions without direct support in the record.

III.

Since the initial recoverable gas reserves for each individual tract are in error, the percentages of pool reserves attributable to each nonmarginal tract and the tract acreage factors listed in said Exhibit A are also in error; accordingly, said Order No. R-2259-B fails to afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool, insofar as this can be done without waste, and for such purpose to use his just and equitable share of the reservoir energy, and is therefore violative of correlative rights.

IV.

Findings Nos. 10, 12 and 13 of the Commission's Order are not supported by the evidence for the reason that the deliverabilities shown in Column B of Exhibit A of the Commission's Order are the most recent deliverabilities while the reserves shown in Column C of said Exhibit A are estimates of initial reserves and a comparison of the relationship between reserves and deliverability is discriminatory when the ratio of initial reserves to current deliverability of one tract which has produced over a period of several years is compared with the ratio of initial reserves to initial deliverability of

another tract. Since the Commission has obviously used initial reserves in comparison with current deliverabilities in making its Findings Nos. 10, 12 and 13, such Findings are clearly erroneous and are in conflict with undisputed evidence that such comparison is discriminatory.

V.

The Commission's Order, which the statute requires be predicated upon the prevention of waste, is not based upon any evidence in the record that waste is occurring under the present 25-75 formula or that waste will be prevented by the 60-40 formula proposed by Consolidated and adopted by the Commission. The Commission's effort to predicate its order upon waste in Finding No. 13 proceeds upon the erroneous theory, unsupported by evidence, that waste is being caused wherever a violation of correlative rights is found to exist. Finding No. 14 that waste will be prevented by the 60-40 formula is unsupported by any evidence in the record.

VI.

The Commission in its Order has failed to make a finding which under the law must be made in order to change an existing proration order, to wit: the portion of each tract's proportion of the total pool reserves which can be recovered without waste. The record contains no evidence upon which such finding can be made.

VII.

The record does not contain evidence upon which the findings required by the statute to be made before changing the existing proration order can be based, and the rights acquired by the owners of tracts who have developed their properties under an existing order have been prejudiced by changing the basis of allocation without evidence to support such changes. Specifically, there is no evidence to support the Commission's finding as to the reserves underlying each individual tract; there is no evidence to support a finding, and none was made,

of the portion of each tract's proportion of the total pool reserves which can be recovered without waste; there is no evidence to support the Commission's finding that the protection of correlative rights is a necessary adjunct to the prevention of waste and that waste will result unless the Commission acts to protect correlative rights; and there is no evidence in the record that waste is occurring or will occur under the existing allocation formula.

WHEREFORE, Applicant requests that, pursuant to Rule 1222 of the Rules and Regulations of the New Mexico Oil Conservation Commission and Section 65-3-22(a), New Mexico Statutes Annotated, 1953 Compilation, that the Commission grant a rehearing in Case No. 2504 and that, following such rehearing the Commission set aside its Order No. R-2259-B and in all respects deny the application of Consolidated Oil and Gas, Inc. to amend Order No. R-1670-C. Your Applicant further requests that the Commission grant an opportunity for interested parties to present oral argument upon this application for rehearing prior to taking action thereon.

/S/ Ben R. Howell
Ben R. Howell

/S/ Garrett C. Whitworth
Garrett C. Whitworth

SETH, MONTGOMERY, FEDERICI & ANDREWS

By /S/ Wm. Federici
Attorneys for El Paso Natural Gas Company

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION, MARATHON OIL COMPANY, AND SUNSET INTERNATIONAL PETROLEUM CORPORATION FOR A REHEARING BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO TO RECONSIDER CASE NO. 2504, ORDER NO. R-2259-B OF SAID COMMISSION, BEING THE APPLICATION OF CONSOLIDATED OIL AND GAS, INC. FOR AN AMENDMENT OF ORDER NO. R-1670-C, CHANGING THE ALLOCATION FORMULA FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

Case No. 2504

APPLICATION FOR REHEARING

Come now PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation, MARATHON OIL COMPANY (formerly THE OHIO OIL COMPANY), an Ohio corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a Delaware corporation, all licensed to do business in the State of New Mexico, hereinafter collectively referred to as "Applicants," and apply to the New Mexico Oil Conservation Commission for rehearing in the above styled cause, and for grounds therefor state:

I.

Hearing was held on this case before the Commission on April 18 through April 21, 1962. By Order No. R-2259, dated June 7, 1962, the Commission denied the Application. Consolidated Oil and Gas, Inc. filed an application for rehearing which was heard by the Commission on February 14, 1963, and by Order No. R-2259-B dated July 3, 1963, and entered on July 9, 1963, the Commission granted the application changing the proration formula for the Basin-Dakota Gas Pool from 25 percent acreage plus 75 percent acreage times deliverability to 60 percent acreage plus 40 percent acreage times deliverability by amending the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C.

EXHIBIT "D", "E" and "G"

Commission Order R-2259, dated June 7, 1962, did not affect applicants in that no part of that Order was believed by applicants to be erroneous; Applicants are affected by Order No. R-2259-B issued by the Commission as a result of the rehearing in that said Order is believed by applicants to be erroneous as hereinafter set forth.

II.

Finding No. 6 of Order No. R-2259-B, which adopts by reference certain figures as being the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool, is erroneous in that (a) these figures do not represent the best evidence or the most recent evidence available to the Commission and to the proponents of the change in the proration formula at the time of the rehearing; and (b) these figures were derived from evidence submitted by El Paso Natural Gas Company at the original hearing of this case, which evidence was suitable to show total pool reserves and for establishing the general relationship between well reserves and well deliverabilities in the pool but which was not designed for or accurate to determine the reserves underlying any particular tract.

III.

Inasmuch as the Commission has based Finding No. 6 upon erroneous data, all findings and conclusions, including Findings Nos. 7 and 10, which follow upon Finding No. 6, are necessarily erroneous also. No independent evidence exists in the record upon which Findings Nos. 7 and 10 can be based.

IV.

Inasmuch as the figures adopted by the Commission as the initial recoverable gas reserves for each individual tract are in error, the percentages of pool reserves attributable to each non-marginal tract and the tract acreage factors listed in Exhibit A are also in error; accordingly, said Order No. R-2259-B is unsupported by substantial evidence showing that the 60-40 formula, which it promulgates, will protect the correlative rights of operators in the Basin-Dakota Gas Pool.

V.

Findings Nos. 10, 12, 13 and 14 of said Order are not supported by substantial evidence in that the Commission has based said Findings upon a comparison of initial reserves with current, rather than initial, deliverabilities, such comparison being clearly discriminatory.

VI.

The Commission's order, which the statute requires be predicated upon the prevention of waste, is not based upon any evidence in the record that waste is occurring under the present 25-75 formula or that waste will be prevented by the 60-40 formula proposed by Consolidated and adopted by the Commission. The Commission's effort to predicate its Order upon waste in Finding No. 13 proceeds upon the erroneous theory, unsupported by evidence, that waste is being caused wherever a violation of correlative rights is found to exist. Finding No. 14 that waste will be prevented by the 60-40 formula is unsupported by any evidence in the record.

VII.

The Commission in its Order has failed to make a finding which under the law must be made in order to change an existing proration order, to wit: the portion of each tract's proportion of the total pool reserves which can be recovered without waste. The record contains no evidence upon which such a finding can be made.

VIII.

The rights acquired by the owners and operators of tracts in the Basin-Dakota Gas Pool who have developed their properties under the existing 25-75 formula are prejudiced and violated by the Commission's Order No. R-2259-B changing the basis of allocation without any evidence that waste is occurring under the existing formula or that waste will be prevented by the new formula.

IX.

Findings Nos. 15, 16 and 17 of said Order No. R-2259-B are erroneous in that they are not supported by substantial evidence and are based upon other findings which are without support in evidence as hereinbefore stated.

WHEREFORE, Applicants request that the Commission grant a rehearing in Case No. 2504 and that following such rehearing the Commission set aside its Order No. R-2259-B and in all respects deny the application of Consolidated Oil and Gas, Inc. to amend Order No. R-1670-C. Applicants further request that the Commission grant an opportunity for all interested parties to present oral argument upon this application for rehearing prior to taking action thereon.

ATWOOD & MALONE

By: _____
Ross L. Malone
Roswell, New Mexico
Attorneys for Pan American Petroleum Corporation

KENT B. HAMPTON
Division Attorney
Marathon Oil Company
Casper, Wyoming

ATWOOD & MALONE

By: _____
Ross L. Malone
Roswell, New Mexico
Attorneys for Marathon Oil Company

SETH, MONTGOMERY, FEDERICI & ANDREWS

By: _____
Wm. R. Federici
Attorneys for Sunset International Petroleum Corporation

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 2504

APPLICATION OF CONSOLIDATED OIL & GAS, INC.
FOR AN AMENDMENT OF ORDER NO. R-1670-C,
CREATING THE ALLOCATION FORMULA FOR THE
BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA
AND SANDOVAL COUNTIES, NEW MEXICO.

APPEARANCE FOR PROTESTANT

Comes now Southwest Production Company, one of the protestants to the application of Consolidated Oil & Gas, Inc. for an amendment to Order R-1670-C of this Commission, and requests that a rehearing be granted in such cause and in support thereof would show to the Commission the following:

1. That this Commission has entered its Order No. R-2259-B wherein is granted the prayer of the application of Consolidated Oil & Gas, Inc. for an amendment to Order R-1670-C and thereby changed the proration formula for the Basin-Dakota Gas Pool.

2. That Order No. R-2259-B was improperly entered by the Commission contrary to the rules of the Commission and the law of the State of New Mexico.

3. That Order No. R-2259-B determines in Finding #10 that there is no direct correlation between acreage and reserves and yet such order, irrespective of such finding, bases the proration formula 60% upon acreage. That this manifestly demonstrates the invalidity of such order. That Finding #11 specifically determines that the formula in the order is merely a makeshift so that the average tract in the pool will receive an allowable relatively close to that to which it is entitled and thereby manifestly demonstrates that the order is invalid as to all tracts which do not happen to fit the average norm of the pool. That it is improper for the Commission to promulgate an order based on a determined improper factor and that a statement that the application of such improper factor will do justice in the average instance, does not lend validity to the order based on such admitted improper factors.

4. That Order No. R-2259-B was entered by the Commission without proper findings as required by law and that such order is not supported by evidence, required to give the Commission power and authority to enter and promulgate such order.

5. That Order No. R-2259-B was entered by the Commission changing a previous proration order for the Basin-Dakota Pool without any showing that there was any change of condition between

ILLEGIBLE

EXHIBIT "F"

the entry of Order No. R-1670-C and the entry of said Order No. R-2259-B, or any showing that would justify the Commission in changing a proration order previously entered by the Commission after application and hearing. That it is improper for the Commission to promulgate a proration order after due and proper notice to all parties and hearing upon the merits and then later set such order aside without any showing of change of condition or any other grounds to justify the Commission in changing an order previously entered.

6. That the Commission improperly conducted the rehearing upon which Order No. R-2259-B was founded, in that it admitted improper evidence and testimony over the objection of Protestant, all of which renders said order invalid and entitles this Protestant to a rehearing.

7. That Order No. R-2259-B promulgates a proration order which will result in waste being committed and which does not protect the correlative rights of all producers in the Pool but to the contrary, destroys correlative rights and interferes with and destroys the correlative rights of this Protestant.

8. That after considering the allegations herein contained, this Commission should withdraw and set aside Order No. R-2259-B, thereby once again giving effect to Order No. R-1670-C.

Respectfully submitted,

WELCH, MANN, COOLEY & JONES

By _____
Geo. L. Welch

Attorneys for Protestant,
Southwest Production Company

ILLEGIBLE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED AUG 22 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11,685

OIL CONSERVATION COMMISSION of NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

MOTION TO ISSUE NOTICE

Comes now Southwest Production Company, a co-partnership composed of Joseph P. Driscoll and John H. Haill, one of the Petitioners in the above styled and numbered cause, and moves the Court to issue a Notice of Appeal in accord with the provisions of N.M.S.A. 65-3-22, to be served upon the following named adverse parties in said cause, to-wit:

OIL CONSERVATION COMMISSION OF NEW MEXICO

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, JR., Member and Secretary

CONSOLIDATED OIL & GAS, INC.

HUMBLE OIL & REFINING COMPANY

SKELLY OIL COMPANY

THE ATLANTIC REFINING COMPANY

SOUTHERN UNION GAS COMPANY

BENJAMIN K. HORTON & ASSOCIATES

R & G DRILLING CO.

THE UNITED STATES GEOLOGICAL SURVEY

TIDEWATER OIL COMPANY

BRUCE ANDERSON OIL & GAS PROPERTIES

THE FRONTIER REFINING COMPANY

KAY KIMBELL OIL COMPANY

TEXACO, INC.

AMERADA PETROLEUM CORPORATION

SUNRAY MID-CONTINENT OIL COMPANY

CONTINENTAL OIL COMPANY

BEARD OIL COMPANY

Said Petitioner does hereby further move the Court to set a time for hearing the prayer of said Petition that Order No. R-2259-B of the Oil Conservation Commission of New Mexico be stayed pending the proceedings for review.

VERITY, BURR, COOLEY & JONES

By s/ Geo L Verity
Geo. L. Verity

Attorneys for Petitioner,
Southwest Production Company

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11,685

OIL CONSERVATION COMMISSION of NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

NOTICE OF APPEAL

TO THE FOLLOWING NAMED ADVERSE PARTIES:

OIL CONSERVATION COMMISSION OF NEW MEXICO
JACK M. CAMPBELL, Chairman
E. S. WALKER, Member
A. L. PORTER, JR., Member and Secretary
CONSOLIDATED OIL & GAS, INC.
HUMBLE OIL & REFINING COMPANY
SKELLY OIL COMPANY
THE ATLANTIC REFINING COMPANY
SOUTHERN UNION GAS COMPANY
BENJAMIN K. HORTON & ASSOCIATES
R & G DRILLING CO.
THE UNITED STATES GEOLOGICAL SURVEY
TIDEWATER OIL COMPANY
BRUCE ANDERSON OIL & GAS PROPERTIES
THE FRONTIER REFINING COMPANY
KAY KIMBELL OIL COMPANY
TEXACO, INC.
AMERADA PETROLEUM CORPORATION
SUNRAY MID-CONTINENT OIL COMPANY
CONTINENTAL OIL COMPANY
BEARD OIL COMPANY

TAKE NOTICE that the above named Petitioners, being dissatisfied with the Oil Conservation Commission of New Mexico's promulgation of Order No. R-2259-B, which changed the proration formula for the Basin Dakota Gas Pool, and with Order No. R-2259-C, which denied the above named parties a rehearing, have appealed therefrom in accord with the provisions of N.M.S.A. 65-3-22, having filed their Petition for review in the District

Court for San Juan County, New Mexico on the 20th day of August, 1963, said appeal being docketed under No. 11,685 in said Court; that by such petition for review the said petitioners have prayed the said District Court to review said orders, declare them to be erroneous, invalid and void and to suspend the operation of said orders during the pendency of the proceedings for review.

TAKE FURTHER NOTICE that said District Court has set Petitioners' prayer that said orders be suspended during the pendency of such proceedings for review for hearing at 9 o'clock A.M. on the 20th day of September, 1963 and that the Court will consider staying the effect of said orders at said time.

TAKE FURTHER NOTICE that the names and addresses of the attorneys representing said Petitioners are as follows:

Representing El Paso Natural Gas Company and Sunset International Petroleum Corporation:

SETH, MONTGOMERY, FEDERICI & ANDREWS, Santa Fe, New Mexico

BEN HOWELL, El Paso, Texas

GARRETT C. WHITWORTH, El Paso, Texas

Representing Pan American Petroleum Corporation and Marathon Oil Company:

ATWOOD AND MALONE, Roswell, New Mexico

Representing Southwest Production Company:

VERITY, BURR, COOLEY & JONES, Farmington, New Mexico

WITNESS the Honorable C. C. McCulloh, District Judge of the Eleventh Judicial District Court of the State of New Mexico and the seal of the District Court of San Juan County, this 22 day of August, 1963.

Virginia A. Kittell, Clerk

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED AUG 30 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

PUBCO PETROLEUM CORPORATION, Petitioner, -vs- OIL CONSERVATION COMMISSION of NEW MEXICO and CONSOLIDATED OIL & GAS, INC., a corporation, Respondents.	No. 11,637
EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation, Petitioners, -vs- OIL CONSERVATION COMMISSION of NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; Consolidated Oil & Gas, Inc., a corporation, Respondents.	No. 11,685

M O T I O N

Come now Pubco Petroleum Corporation, Petitioner in the above styled cause No. 11,637; and Southwest Production Company, one of the Petitioners in above styled cause No. 11,685, and move the Court that said two causes be consolidated, and in support thereof would show to the Court that each of said causes is an appeal from Order No. 2259-B of the Oil Conservation Commission of New Mexico and that each of said causes should therefore be consolidated and heard together.

VERITY, BURR, COOLEY & JONES

By s/ Geo L Verity
Geo. L. Verity

Attorneys for Petitioner
Southwest Production Company

KELEHER & McLEOD

By s/ John B Tittman
John B. Tittman

Attorneys for Petitioner,
Pubco Petroleum Corporation

CERTIFICATE

I certify that I caused a copy of the above ing to be mailed to opposing counsel this 29 day of August 1963

s/ William B Keleher

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 9 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-VS- NO. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

ANSWER OF TIDEWATER OIL COMPANY

COMES NOW TIDEWATER OIL COMPANY, one of the named Adverse Parties in the above-styled cause, and for answer in such cause would respectfully show the Court that at the hearing before the Oil Conservation Commission of New Mexico, which hearing preceded the issuance of Order No. R-2259-B, that said Tidewater Oil Company took the position that such order was justified by the evidence before the Commission, and that such order should be issued. Tidewater Oil Company continues to believe that the order is proper and valid and that is should not be suspended, styled, or overruled by this Court.

Respectfully submitted,

TIDEWATER OIL COMPANY

By s/ Clyde E Willbern
Clyde E. Willbern

Tidewater Oil Company

Box 1404
Houston 1, Texas

LLOYD ARMSTRONG
Division Attorney

CLYDE E. WILLBERN
General Attorney

OSCAR J. CADWALLADER, JR.
CLOY D. MONZINGO
JACK L. BRANDON
JOHN F. SULLIVAN

September 5, 1963

Clerk of the District Court
of San Juan County
County Court House
Aztec, New Mexico

Dear Sir:

Re: El Paso Natural Gas Company, et al.,
v. Oil Conservation Commission of
New Mexico, et al., No. 11,685
District Court of San Juan County,
New Mexico

Enclosed please find the Answer of Tidewater Oil Company, one of the named Adverse Parties in the captioned cause, which we would appreciate your filing in this suit.

Very truly yours,

Clyde E. Willbern

JLB:cc
cc: To all parties listed
on attached list.

ADDRESS LIST

Anderson, Bruce, Oil & Gas Properties
930 Petroleum Club Building
Denver 2, Colorado

Amerada Petroleum Corporation
P. O. Drawer 601
Durango, Colorado

Beard Oil Company
Cameron Building
2901 Classen Blvd.
Oklahoma City, Oklahoma

Consolidated Oil & Gas, Inc.
P. O. Box 2038
Farmington, New Mexico

Continental Oil Company
P. O. Box 3312
Durango, Colorado

El Paso Natural Gas Company
P. O. Box 1560
Farmington, New Mexico

Humble Oil & Refining Company
P. O. Box 3082
Durango, Colorado

Kimbell, Kay, Oil Company
415 South Behrend Ave.
Farmington, New Mexico

Marathon Oil Company
1211 Main Avenue
Durango, Colorado

Oil Conservation Commission of New Mexico
Santa Fe, New Mexico
Attention Mr. Jack M. Campbell, Chairman
Mr. E. S. Walker, Member
Mr. A. L. Porter, Jr., Member and Secretary

Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

R & G Drilling Co.
208 West Main
Farmington, New Mexico

Skelly Oil Company
P. O. Drawer 510
Farmington, New Mexico

Southern Union Gas Company
P. O. Box 750
Farmington, New Mexico

Southwest Production Company
Petroleum Club Plaza
Farmington, New Mexico

Sunray Mid-Continent Oil Company
200 Petroleum Club Plaza
Farmington, New Mexico

Sunset International Petroleum Corporation
501 Midland Savings Building
Denver 2, Colorado

Texaco Inc.
P. O. Box 810
Farmington, New Mexico

The Atlantic Refining Company
P. O. Box 2197
Farmington, New Mexico

The Frontier Refining Company
4040 East Louisiana Avenue
Denver, Colorado

The United States Geological Survey
616 South Boston Avenue
Tulsa, Oklahoma

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

ACCEPTANCE OF SERVICE

Comes now Jason W. Kellahin, one of the attorneys for respondent, Consolidated Oil & Gas, Inc., and accepts service of a copy of Notice of Appeal herein on behalf of said respondent.

s/ Jason W. Kellahin
Jason W. Kellahin
Kellahin & Fox
Santa Fe, New Mexico

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents,

ACCEPTANCE OF SERVICE

Comes now Oliver E. Panye, Assistant Attorney General for the State of New Mexico, and accepts service of a copy of Notice of Appeal herein on behalf of the Oil Conservation Commission of New Mexico, Jack M. Campbell, Chairman, E. S. Walker, Member, and A. L. Porter, Jr., Member and Secretary.

s/ C. E. Payne
O. E. Payne
Assistant Attorney General
State of New Mexico

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

AFFIDAVIT OF SERVICE

H. F. Kelly, Deputy Sheriff of Denver, County, State of Colorado, being first duly sworn upon his oath states that on the 3rd day of September, 1963, he served a copy of Notice Of Appeal herein upon Bruce Anderson Oil & Gas Properties by delivering same to Bruce Anderson, its owner, personally, at Suite 930, Petroleum Club Building, Denver, Colorado.

s/ H Kelly
Deputy Sheriff

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Subscribed and sworn to before me this 3rd day of September, 1963.

(SEAL)

s/ R. L. Smith
Notary Public
For the State of Colorado

My Commission Expires:

August 23, 1964

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs-

No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

Sheriff Fee's	
First Person	0.50
1 copy	0.25
Mileage 21	2.10
Total	$2.85
Clerk's Fee	1.00
	$3.85

AFFIDAVIT OF SERVICE

G. E. Etheridge, Deputy Sheriff of Oklahoma County, State of Oklahoma County, State of Oklahoma, being first duly sworn upon his oath states that on the 3 day of Sept., 1963, he served a copy of Notice of Appeal herein upon Beard Oil Company by delivering same to L. G. Petering, he being secretary and treasurer of said company at ~~466 Cameron Building~~, Oklahoma City, 610 2000 Classen Bldg. Oklahoma.

s/ G. E. Etheridge

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Subscribed and sworn to before me this 3rd day of September, 1963.

s/ F S Brown
Notary Public

My Commission Expires:

July 13th 1967

(S E A L)

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

RECEIVED AUG 27 1963
Santa Fe County
Sheriff's Office

-vs-

No. 11,685

OIL CONSERVATION COMMISSION of NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

AFFIDAVIT OF SERVICE

I ARTHUR GARCIA, DEPUTY sheriff of Santa Fe County, State of New Mexico, being first duly sworn upon his oath, states that on the 27th day of AUGUST, 1963, he served a copy of notice of appeal herein upon Skelly Oil Company, the Atlantic Refining Company, Tidewater Oil Company, the Frontier Refining Company, Amerada Petroleum Corporation, Sunray Mid-Continent Oil Company, and Continental Oil Company by delivering same to the Corporation Company, 123 West Palace Avenue, Santa Fe, New Mexico, which company is the statutory agent for service of process in New Mexico for each of the above-named foreign corporations.

s/ Arthur Garcia

FEES:
SERVICE & RETURN $15.00
NOTARY FEES .50
TOTAL $15.50

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

Subscribed and sworn to before me this 30th day of August, 1963.

s/ Fred West, Justice of the Peace
~~Notary~~ Public

My Commission expires:

12-31-1964

(SEAL)

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs-

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GA, INC., a corporation,

Respondents.

RECEIVED AUG 27 1963
Santa Fe County
Sheriff's Office

No. 11,685

AFFIDAVIT OF SERVICE

I, ARTHUR GARCIA, DEPUTY sheriff of Santa Fe County, State of New Mexico, being first duly sworn upon his oath, states that on the 27 day of AUGUST, 1963, he served a copy of notice of appeal herein upon Texaco, Inc., by delivering same to L. C. White, 123 West Palace Avenue, Santa Fe, New Mexico, who is Texaco, Inc.'s statutory agent for service of process in New Mexico.

s/ Arthur Garcia

FEES
SERVICE & RETURN $3.00
NOTARY FEE .50
TOTAL $3.50

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

Subscribed and sworn to before me this 30th day of August, 1963.

s/ Fred West Justice of the Peace
Notary Public

My commission expires:

12-31-1964

(SEAL)

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs-

OIL CONSERVATION COMMISSION of NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and SECRETARY; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

RECEIVED AUG 27 1963
Santa Fe County
Sheriff's Office

No. 11,685

AFFIDAVIT OF SERVICE

I, ARTHUR GARCIA, DEPUTY sheriff of Santa Fe County, State of New Mexico, being first duly sworn upon his oath, states that on the 27 day of AUGUST, 1963, he served a copy of notice of appeal herein upon Southern Union Gas Company by delivering same to Manuel Sanchez, Batts Building, Santa Fe, New Mexico, who is Southern Union Gas Company's statutory agent for service of process in New Mexico.

s/ Arthur Garcia

FEES:
SERVICE & RETURN $3.00
NOTARY FEES .50
TOTAL $3.50

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

Subscribed and sworn to before me this 30th day of August, 1963.

s/ Fred West, Justice of the Peace
Notary Public

My commission expires:
12-31-1964

(SEAL)

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

ACCEPTANCE OF SERVICE

Comes now Howard C. Bratton and accepts service of a copy of Notice of Appeal herein on behalf of Humble Oil and Refining Company.

s/ Howard C. Bratton
Howard C. Bratton
Hervey, Dow & Hinkle
Roswell, New Mexico

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 23 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11, 685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

CERTIFICATE
~~XXXIXXXIX~~ OF SERVICE

Harvey A. Woodmansee, Deputy Sheriff of Bernalillo County, State of New Mexico, ~~being first duly sworn~~ states that on the 29th day of Aug., 1963, he served a copy of Notice Of Appeal herein upon Benjamin K. Horton & Associates by delivering same to Benjamin K. Horton at 406 San Mateo N. E., Albuquerque, New Mexico.

Fee $4.00 s/ Harvey A. Woodmansee

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Subscribed and sworn to before me this _____ day of _____, 1963.

_____
Notary Public

My Commission Expires:

_____

(S E A L)

United States Department of Justice

UNITED STATES ATTORNEY
DISTRICT OF NEW MEXICO
P. O. BOX 607
ALBUQUERQUE
87103

RECEIVED
SEP 10 P.M.
SETH & MONTGOMERY

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED
SEP 23 1963
Virginia A. Kittell
CLERK

September 9,

Mr. Richard S. Morris
Attorney at Law
301 Don Gaspar Avenue
Santa Fe, New Mexico

Re: El Paso Natural Gas Company et al, v.
Oil Conservation Commission et al.,
No. 11685, San Juan County, New Mexico

Dear Mr. Morris:

I have received your letter of August 23, 1963, in which you enclosed Petition for Review and Acceptance of Service in captioned matter.

Contact has been made with the United States Geological Survey and they have stated to this office that they are not interested or concerned with the matters covered in the captioned proceedings and that the orders of the State Oil Conservation Commission do not involve or affect the United States Geological Survey in New Mexico.

Therefore, I do not feel that it would be proper for an entry of an appearance to be made by this office under these circumstances.

Sincerely yours,

JOHN QUINN
United States Attorney

Jr:dt

ILLEGIBLE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 24 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs- No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

AFFIDAVIT OF SERVICE

W E Woodard, Deputy Sheriff of Tarrant County, State of Texas, being first duly sworn upon his oath states that on the 31 day of Aug, 1963, he served a copy of Notice Of Appeal herein upon Kay Kimbell Oil Operator by delivering same to Kay Kimbell at 1929 South Main, Fort Worth, Texas.

s/ W E Woodard

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

Subscribed and sworn to before me this 31st day of August, 1963.

s/ Otis Mayer
Notary Public

My Commission Expires:

June 1, 1965
(SEAL)

Serving 1.50
Mileage 1.00
Notary .50
3.00

return

To Kay Kimbell

1929 So. Main

10:40 AM

S

17/163

RECEIVED
Aug 30 5 03 PM '63

TARRANT COUNTY
SHERIFF's DEPT

Woody

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 25 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs-

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS INC., a corporation,

Respondents.

ANSWER TO PETITION FOR REVIEW

Comes now Consolidated Oil & Gas, Inc., named a respondent herein, and for its reply to petitioners petition for review, states:

First Defense

1. Respondent admits the allegations of paragraphs 1, 2, and 5 of the petition for review.

2. In answer to paragraph 3 of the petition for review, respondent denies that Order No. R-2259-B changing the proration formula for the Baskin-Dakota Gas Pool was entered on July 9, 1963, and states the fact to be that said order, as appears on the face thereof, was entered on July 3, 1963. Respondent admits the other allegations of paragraph 3 of the petition for review.

3. In answer to paragraph 4 of the petition for review respondent states it is without knowledge or information sufficient to form a belief as to the truth thereof, and

therefore denies the same.

4. Respondent denies the allegations of paragraph 6 of the petition for review and each of them, and denies the allegations contained in each and every subdivision thereof, and denies those matters and things set forth in petitioners' respective applications for rehearing, attached to the petition for review and incorporated therein by reference. Respondent further states in respect to the allegations of paragraph 6 a (1) that the record does, in fact, support finding 6 of Order No. R-2259-B and that if, in fact, the petitioner El Paso Natural Gas Company has or had revised and replaced by different data, any estimates of reserves it might have, such figures were not offered in evidence before the Commission. The petitioner El Paso Natural Gas Company having declined to produce any revised estimates of reserves before the Commission, cannot now be heard to complain of the use of other and different figures. Respondent further states in respect to the allegations of paragraph 6, subdivisions d, e, f, and j, that there was no valid proration order issued by the Oil Conservation Commission of New Mexico prior to the entry of Order No. R-2259-B on July 3, 1963.

5. Respondent denies the allegations of paragraph 7 and 8 of the petition for review, and each of them.

Second Defense

The Court is without juridiction of the subject matter of this action for the following reasons:

1. Petitioners have failed to exhaust their administrative remedy in that their application for rehearing before the Oil Conservation Commission of New Mexico was not timely filed as required by law.

2. Humble Oil & Refining Company, Skelly Oil Company, The Atlantic Refining Company, Southern Union Gas Company,

Benjamin K. Horton & Associates, R & G Drilling Company, The United States Geological Survey, Tidewater Oil Company, Bruce Anderson Oil & Gas Properties, The Frontier Refining Company, Kay Kimbell Oil Company, Texaco, Inc., Amerada Petroleum Corporation, Sunray Mid-Continent Oil Company, Continental Oil Company, Beard Oil Company, Delhi Oil Corporaton, Western Natural Gas Company, Compass Exploration Co., Tenneco Oil Company, Caulkins Oil Company, Pioneer Production Co., and The British-American Oil Producing Company are, and each of them is, an indispensable party to this action whose interest in the controversy is such that no final judgment can be entered which will do justice between the parties without injuriously affecting the rights of said parties. Said parties are owners and operators of gas properties in the Basin-Dakota Gas Pool and will be directly affected by and subject to any order entered by the Court in this proceeding.

Third Defense

The petition fails to state a claim against respondents upon which relief can be granted.

WHEREFORE, respondent Consolidated Oil & Gas, Inc., prays:

1. That the petition for review be dismissed.

2. That Commission Orders No. R-2259-B and No. R-2259-C be affirmed.

3. That the Court grant respondent such other and further relief as the Court deems just.

CONSOLIDATED OIL & GAS, INC.

By s/ Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

T. P. STOCKMAR
Holme, Roberts, More & Owen
1700 Broadway
Denver, 2, Colorado

ATTORNEYS FOR RESPONDENT,
CONSOLIDATED OIL & GAS, INC.

I hereby certify that a true copy of the foregoing instrument was mailed to opposing counsel of record this 24th day of Sept. 1963.

s/ Jason W. Kellahin

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, et al.,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents.

ENTRY OF APPEARANCE

J. M. Durrett, Jr., Special Assitant Attorney General, hereby enters his appearance on behalf of the respondent, Oil Conservation Commission of New Mexico, in the above entitled and numbered cause.

s/ J M Durrett Jr.
J. M. DURRETT, Jr.
Special Assistant Attorney General
representing the Oil Conservation Commission of New Mexico, P. O. Box 871, Santa Fe, New Mexico

I hereby certify that on the 25th day of September, 1963, a copy of the foregoing pleading was mailed to opposing counsel of record.

s/ J M Durrett Jr.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY,

et al.,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION
OF NEW MEXICO, et al.,

Respondents.

ANSWER TO PETITION FOR REVIEW

Respondent, Oil Conservation Commission of New Mexico, answering the petition for Review, states:

1. Respondent admits the allegations in paragraphs 1 and 2 of the Petition for Review.

2. Respondent denies the allegation in paragraph 3 of the Petition for Review that petitioner, El Paso Natural Gas Company, filed its application for re-hearing with the Commission on July 26, 1963, and states to the Court that said application for rehearing was filed with the Commission on July 25, 1963; respondent admits all other allegations in paragraph 3 of the Petition for Review.

3. Respondent admits the allegations in paragraphs 4 and 5 of the Petition for Review.

4. Respondent denies each and every allegation in paragraphs 6, 7, and 8 of the petition for Review, including all conclusions of fact and law stated therein.

WHEREFORE, Respondent prays:

1. That the Petition for Review be dismissed.

2. That Commission Orders No. R-2259-B and No. R-2259-C be affirmed.

3. That the Court grant respnndent such other and further relief as the Court deems just.

AFFIRMATIVE DEFENSES

1. As its first affirmative defense, respondent states that petitioners have failed to state a claim upon which relief can be granted.

2. As its second affirmative defense, respondent states that the petitioners have failed to join indispensable parties.

WHEREFORE, Respondent prays:

1. That the Petition for Review be dismissed.

2. That Commission Orders No. R-2259-B and No. R-2259-C be affirmed.

3. That the Court grant respondent such other and further relief as the Court deems just.

s/ J M Durrett Jr.
J. M. DURRETT, Jr.
Special Assistant Attorney General
representing the Oil Conservation
Commission of New Mexico, P. O.
Box 871, Santa Fe, New Mexico

I hereby certify that on the 25th day of September, 1963, a copy of the foregoing pleading was mailed to opposing counsel of record.

s/ J M Durrett Jr.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

PETITION TO INTERVENE

Comes now Sunray DX Oil Company, a corporation, formerly Sunray Mid-Continent Oil Company, and respectfully seeks leave of Court to intervene in the above-entitled cause, and in support thereof states:

1. That is an owner and operator of gas properties in the Basin-Dakota Gas Pool and will be directly affected by and subject to any Order entered by the Court in this proceeding;

2. And for the further reason that it is an indispensable party to the cause whose interest in the controversy is such that no final judgment can be entered which will do justice between the parties without injuriously affecting the rights of Petitioner.

That a copy of Petitioner's Response which it seeks leave to file is attached hereto and marked Exhibit A.

WHEREFORE, Petitioner seeks leave to intervene in the above cause and that it be granted leave to file the proposed Response, and for such other and further relief as the Court

may deem proper in the premises.

GILBERT, WHITE & GILBERT

By s/ L C White

L. C. White, PO Box 787,
Santa Fe, NM

John Curran, Esq., Attorney
Sunray DX Oil Co. PO Box 2039
Tulsa, Okla.

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs

Exhibit A

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS INC., a corporation,

Respondents.

RESPONSE TO PETITION FOR REVIEW

Comes now Sunray DX Oil Company, a corporation, formerly Sunray Mid-Continent Oil Company, intervenor herein and for its reply to petitioner's Petition for Review states:

First Defense

1. Intervenor admits the allegations of paragraphs 1, 2, and 5 of the petition for review.

2. Intervenor admits the allegations of paragraph 3 of the petition for review.

3. In answer to paragraph 4 of the petition for review intervenor states it is without knowledge or information sufficient to form a belief as to the truth thereof, and therefore denies the same.

4. Intervenor denies the allegations of paragraph 6 of the petition for review and each of them, and denies the allegations contained in each and every subdivision thereof, and denies those matters and things set forth in petitioners' respective applications for rehearing, attached to the petition for review and incorporated therein by reference. Intervenor further states in respect to the allegations of paragraph 6 a (1)

that the record does, in fact, support finding 6 of Order No. R-2259-B and that if, in fact, the petitioner El Paso Natural Gas Company has or had revised and replaced by different data, any estimates of reserves it might have, such figures were not offered in evidence before the Commission. The petitioner El Paso Natural Gas Company having declined to produce any revised estimates of reserves before the Commission, cannot now be heard to complain of the use of other and different figures.

5. Intervenor denies the allegations of paragraph 7 and 8 of the petition for review, and each of them.

Second Defense

The Court is without jurisdiction of the subject matter of this action for the following reason:

1. Petitioners have failed to exhaust their administrative remedy in that their application for rehearing before the Oil Conservation Commission of New Mexico was not timely filed as required by law.

Third Defense

The petition fails to state a claim against intervenors upon which relief can be granted.

WHEREFORE, Intervenor Sunray DX Oil Company, a corporation, formerly Sunray Mid-Continent Oil Company, prays:

1. That the petition for review be dismissed.

2. That Commission Orders No. R-2259-B and No. R-2259-C be affirmed.

3. That the Court grant intervenor such other and further relief as the Court deems just.

SUNRAY DX OIL COMPANY, a corporation,
formerly SUNRAY MIC-CONTINENT OIL COMPANY
By GILBERT, WHITE AND GILBERT

By _____
P. O. Box 787, Santa Fe, N.M.
MR. JOHN CURRAN
P. O. Box 2039
Tulsa 2, Oklahoma
Attorneys for Intervenor

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

RECORDED BOOK B-2
PAGE 50

No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

ORDER GRANTING LEAVE TO INTERVENE AS RESPONDENT

This cause having come on for hearing upon the motion of Sunray DX Oil Company for leave to intervene in the above-entitled action as a party respondent thereof, and it appearing to the Court that Sunray DX Oil Company has an interest in the above-entitled proceeding sufficient to warrant it to become a party to this action:

IT IS THEREFORE ORDERED that Sunray DX Oil Company be and it hereby is granted leave to intervene in said proceeding as a party respondent and to file its response herein.

s/ C. C. McCulloh
District Judge

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

PETITION TO INTERVENE

Comes now Texaco Inc., a corporation, and respectfully seeks leave of Court to intervene in the above-entitled cause, and in support thereof states:

1. That it is an owner and operator of gas properties in the Basin-Dakota Gas Pool and will be directly affected by and subject to any Order entered by the Court in this proceeding;

2. And for the further reason that it is an indispensable party to the cause whose interest in the controversy is such that no final judgment can be entered which will do justice between the parties without injuriously affecting the rights of Petitioner.

That a copy of Petitioner's Response which it seeks leave to file is attached hereto and marked Exhibit A.

WHEREFORE, Petitioner seeks leave to intervene in the above cause that it be granted leave to file the proposed Response, and for such other and further relief as the Court may deem

proper in the premises.

GILBERT, WHITE & GILBERT

By s/ L C White
L. C. White, PO Box 787
Santa Fe, New Mexico

Walter E. Will, Esq.
Texaco Inc.
PO Box 2100, Denver 1, Colorado.

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs

EXHIBIT A

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS INC., a corporation,

Respondents.

RESPONSE TO PETITION FOR REVIEW

Comes now Texaco Inc. Intervenor herein and for its reply to petitioners' petition for review states:

First defense

1. Intervenor admits the allegations of paragraphs 1, 2 and 5 of the petition for review.

2. Intervenor admits the allegations of paragraph 3 of the petition for review.

3. In answer to paragraph 4 of the petition for review intervenor states it is without knowledge or information sufficient to form a belief as to the truth thereof, and therefore denies the same.

4. Intervenor denies the allegations of paragraph 6 of the petition for review and each of them, and denies the allegations contained in each and every subdivision thereof, and denies those matters and things set forth in petitioners' respective applications for rehearing, attached to the petition for review and incorporated therein by reference. Intervenor further states in respect to the allegations of paragraph 6 a (1) that the record does, in fact, support finding 6 of Order No. R-2259-B and that if, in fact, the petitioner El Paso

Natural Gas Company has or had revised and replaced by different data, any estimates of reserves it might have, such figures were not offered in evidence before the Commission. The petitioner El Paso Natural Gas Company having declined to produce any revised estimates of reserves before the Commission, cannot now be heard to complain of the use of other and different figures.

5. Intervenor denies the allegations of paragraph 7 and 8 of the petition for review, and each of them.

Second Defense

The Court is without jurisdiction of the subject matter of this action for the following reason: Petitioners have failed to exhause their administrative remedy in that their application for rehearing before the Oil Conservation Commission of New Mexico was not timely filed as required by law.

Third Defense

The petition fails to state a claim against intervenors upon which relief can be granted.

WHEREFORE, intervenor Texaco Inc. prays:

1. That the petition for review be dismissed.

2. That Commission Orders No. R-2259-B and R-2259-C be affirmed.

3. That the Court grant intervenor such other and further relief as the Court deems just.

TEXACO INC.
By GILBERT, WHITE AND GILBERT

By _____
P. O. Box 787, Santa Fe, New Mexico

MR. WALTER E. WILL
P. O. Box 2100
Denver, Colorado

Attorneys for Texaco Inc.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

RECORDED BOOK B-2
PAGE 51

No. 11,685

ORDER GRANTING LEAVE TO INTERVENE AS RESPONDENT

This cause having come on for hearing upon the motion of Texaco Inc. for leave to intervene in the above-entitled action as a party respondent thereof and it appearing to the Court that Texaco Inc. has an interest in the above-entitled proceeding sufficient to warrant it to become a party to this action:

IT IS THEREFORE ORDERED that Texaco Inc. be and it hereby is granted leave to intervene in said proceeding as a party respondent and to file its response herein.

s/ C. C. McCulloh
District Judge

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS INC., a corporation,

Respondents.

RESPONSE TO PETITION FOR REVIEW

Comes now Sunray DX Oil Company, a corporation, formerly Sunray Mid-Continent Oil Company, intervenor herein and for its reply to petitioner's Petition for Review states:

First Defense

1. Intervenor admits the allegations of paragraphs 1, 2, and 5 of the petition for review.

2. Intervenor admits the allegations of paragraph 3 of the petition for review.

3. In answer to paragraph 4 of the petition for review intervenor states it is without knowledge or information sufficient to form a belief as to the truth thereof, and therefore denies the same.

4. Intervenor denies the allegations of paragraph 6 of the petition for review and each of them, and denies the allegations contained in each and every subdivision thereof, and denies those matters and things set forth in petitioners' respective applications for rehearing, attached to the

petition for review and incorporated therein by reference. Intervenor further states in respect to the allegations of paragraph 6 a (1) that the record does, in fact, support finding 6 of Order No. R-2259-B and that if, in fact, the petitioner El Paso Natural Gas Company has or had revised and replaced by different date, any estimates of reserves it might have, such figures were not offered in evidence before the Commission. The petitioner El Paso Natural Gas Company having declined to produce any revised estimates of reserves before the Commission, cannot now be heard to complain of the use of other and different figures.

5. Intervenor denies the allegations of paragraph 7 and 8 of the petition for review, and each of them.

Second Defense

The Court is without jurisdiction of the subject matter of this action for the following reason:

1. Petitioners have failed to exhause their administrative remedy in that their application for rehearing before the Oil Conservation Commission of New Mexico was not timely filed as required by law.

Third Defense

The petition fails to state a claim against intervenors upon which relief can be granted.

WHEREFORE, intervenor Sunray DX Oil Company, a corporation, formerly Sunray Mid-Continent Oil Company, prays:

1. That the petition for review be dismissed.

2. That Commission Orders No. R-2259-B and No. R-2259-C be affirmed_

3. That the Court grant intervenor such other and further relief as the Court deems just.

SUNRAY DX OIL COMPANY, a corporation,
formerly SUNRAY MID-CONTINENT OIL
COMPANY
By GILBERT, WHITE AND GILBERT

By s/ L C White
P. O. Box 787, Santa Fe, N.M.

MR. JOHN CURRAN
P. O. Box 2039
Tulsa 2, Oklahoma

Attorneys for Intervenor

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 26 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS INC., a corporation,

Respondents.

RESPONSE TO PETITION FOR REVIEW

Comes now Texaco Inc. Intervenor herein and for its reply to petitioners' petition for review states:

First defense

1. Intervenor admits the allegations of paragraphs 1, 2 and 5 of the petition for review.

2. Intervenor admits the allegations of paragraph 3 of the petition for review.

3. In answer to paragraph 4 of the petition for review intervenor states it is without knowledge or information sufficient to form a belief as to the truth thereof, and therefore denies the same.

4. Intervenor denies the allegations of paragraph 6 of the petition for review and each of them, and denies the allegations contained in each and every subdivision thereof, and denies those matters and things set forth in petitioners' respective applications for rehearing, attached to the petition for review and incorporated therein by reference. Intervenor further states in respect to the allegations of paragraph 6 a

(1) that the record doesn, in fact, support finding 6 of Order No. R-2259-B and that if, in fact, the petitioner El Paso Natural Gas Company has or had revised and replaced by different data, any estimates of reserves it might have, such figures were not offered in evidence before the Commission. The petitioner El Paso Natural Gas Company having declined to produce any revised estimates of reserves before the Commission, cannot now be heard to complain of the use of other and different figures.

5. Intervenor denies the allegations of paragraph 7 and 8 of the petition for review, and each of them.

Second Defense

The Court is without jurisdiction of the subject matter of this action for the following reason: Petitioners have failed to exhaust theiradministrative remedy in that their application for rehearing before the Oil Conservation Commission of New Mexico was not timely filed as required by law.

Third Defense

The petition fails to state a claim against intervenors upon which relief can be granted.

WHEREFORE, intervenor Texaco Inc. prays:

1. That the petition for review be dismissed.

2. That Commission Orders No. R-2259-B and R-2259-C be affirmed.

3. That the Court grant intervenor such other and further relief as the Court deems just.

TEXACO INC.
By GILBERT, WHITE AND GILBERT

By s/ L C White
P. O. Box 787, Santa Fe, New Mexico

MR. WALTER E. WILL
P. O. Box 2100
Denver, Colorado

Attorneys for Texaco Inc.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED OCT 1 - 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

v. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

CERTIFICATE OF MAILING

The undersigned, as one of the attorneys for Texaco Inc. and Sunray DX Oil Company, hereby certifies that he mailed copies of the respective Petition to Intervene, Order granting Leave to Intervene, and Response to Petition for Review to the following:

Seth, Montgomery, Federici & Andrews, 301 Don Gaspar Avenue, Santa Fe, New Mexico, attorneys for El Paso Natural Gas Company and Sunset International Petroleum Company;

Atwood & Malone, P. O. Box 700, Roswell, New Mexico, attorneys for Pan American Petroleum Corporation and Marathon Oil Company;

Verity, Burr, Cooley & Jones, Petroleum Center Building, Farmington, New Mexico, attorneys for Southwest Production Company;

James M. Durrett, Jr. Esq., State Land Office Building, Santa Fe, New Mexico, Attorney for Oil Conservation Commission of New Mexico;

Kellahin & Fox, 54½ East San Francisco, Santa Fe, New Mexico,

Attorneys for Consolidated Oil & Gas, Inc.

on the 30th day of September, 1963.

s/ L C White
L. C. White

Gilbert, White & Gilbert
Post Office Box 787
Santa Fe, New Mexico

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED OCT 11 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs-

No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

M O T I O N

Comes now Southwest Production Company, a co-partnership consisting of John Hill and Joseph P. Driscoll and Beta Development Co., a Texas corporation under the provisions of Rule 25 (c) of the Rules of Civil Procedure and moves the Court to substitute Beta Development Co. in the place of Southwest Production Company as a Petitioner in the captioned action and in support represents to the Court that Southwest Production Company has transferred all of the properties which gave it an interest in the captioned controversy to Beta Development Company.

VERITY, BURR, COOLEY & JONES

By s/ Geo L Verity
Geo. L. Verity

I hereby certify that a copy of the foregoing pleading was mailed to opposing counsel of record on Oct. 10, 1963

Signed: Geo L Verity

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED OCT 24 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. PORTER, JR., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

PETITION TO INTERVENE

Comes now PUBCO PETROLEUM CORPORATION, a corporation, and respectfully seeks leave of Court to intervene in the above entitled cause, and in support thereof, states:

1. That it is an owner and operator of gas properties in the Basin-Dakota Gas Pool and will be directly affected by and subject to any Order entered by the Court in this proceeding.

2. That Pubco Petroleum Corporation should be permitted to adopt as its own, the pleading now filed by petitioners in this cause.

WHEREFORE, petitioner seeks leave tointervene in the above cause, and for such other and further relief as the Court may deem proper in the premises.

W. A. KELEHER, JOHN B. TITTMANN
and WILLIAM B. KELEHER

By s/ William B Keleher
Attorneys for Petitioner
PUBCO PETROLEUM CORPORATION
First National Bank Bldg. W.
Albuquerque, New Mexico

I hereby certify that a copy of the foregoing Petition to Intervene has been forwarded by mail on this 23 day of October, 1963 to all counsel of record.

s/ William B Keleher

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED DEC 17 1963
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, et al.,

RECORDED BOOK D-2
PAGE 57

Petitinners,

vs.

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents.

ORDER

This matter having come before the Court on the Petition to Intervene filed by Pubco Petroleum Corporation, the petitioner, Pubco Petroleum Corporation, being represented by John B. Tittmann and William B. Keleher, the respondent, Consolidated Oil & Gas, Inc., being represented by Jason W. Kellahin, and the respondent, Oil Conservation Commission, being represented by James M. Durrett, Jr., and the Court having read the petition and having heard argument of counsel and being otherwise fully advised in the premises, FINDS:

1. That the Petition to Intervene should be denied.

2. That Pubco Petroleum Corporation should be permitted to participate in the above cause only as amicus curiae.

IT IS THEREFORE ORDERED:

1. That the Petition to Intervene filed by Pubco Petrolem Corporation shall be and the same hereby is denied.

2. That Pubco Petroleum Corporation shall be and it hereby is permitted to participate in the above cause only as amicus curiae.

To all of which petitioner, Pubco Petroleum Corporation, excepts and objects.

s/ C. C. McCulloh
District Judge

Submitted:

s/ J M Durrett Jr

Attorney for Respondent

Oil Conservation Commission

s/ Jason W. Kellahin

One of the attorneys for

Consolidated Oil & Gas, Inc.

Submitted:

s/ William B Keleher,

one of the attorneys for Pubco

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED FEB 26 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY,
a corporation, et al.,

Petitioners,

-vs-

No. 11,685

OIL CONSERVATION COMMISSION OF
NEW MEXICO, et al.,

Respondents.

M O T I O N

Comes now Southern Union Gas Company, a corporation duly admitted to do business in New Mexico, by its attorneys, and respectfully requests leave to appear before the court as amicus curiae and states that it was a participant in the case before the Oil Conservation Commission of New Mexico; that it was not named as a party in this proceeding, but will be affected by any decision therein; and that it seeks leave of the Court to appear as amicus curiae in support of the order of the Commission.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

By: A. S. Grenier
William S. Jameson
Fidelity Union Tower
Dallas 1, Texas

Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico

s/ Jason W. Kellahin

I hereby certify that a true copy of the foregoing instrument was mailed to opposing counsel of record this 18th day of Feb, 1964

s/ Jason W. Kellahin

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED FEB 26 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, et al.,

Petitioners,

-vs-

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents.

RECORDED BOOK D-2
PAGE 384

No. 11,685

O R D E R

This matter coming before the Court on the motion of Southern Union Gas Company for leave to appear before the Court as amicus curiae, and the Court having considered the same and having satisfied itself that the said Southern Union Gas Company, by its attorneys, can serve in such capacity and that such service would be helpful to the court,

It is, therefore, ORDERED, that the leave requested by the said Southern Union Gas Company to appear before this court in the capacity of amicus curiae for the purposes requested should be, and the same is hereby, granted in all things.

s/ C. C. McCulloh
DISTRICT JUDGE

United States Department of Justice

UNITED STATES ATTORNEY
DISTRICT OF NEW MEXICO
P. O. Box 607
ALBUQUERQUE
87103

RECEIVED
SEP 10 P.M.
SETH & MONTGOMERY

September 9, 1963

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED
MAR 5 - 1964
Virginia A. Kittell
CLERK

Mr. Richard S. Morris
Attorney at Law
301 Don Gaspar Avenue
Santa Fe, New Mexico

Re: El Paso Natural Gas Company et al, v.
Oil Conservation Commission et al.,
No. 11685, San Juan County, New Mexico

Dear Mr. Morris:

I have received your letter of August 23, 1963, in which you enclosed Petition for Review and Acceptance of Service in captioned matter.

Contact has been made with the United States Geological Survey and they have stated to this office that they are not interested or concerned with the matters covered in the captioned proceedings and that the orders of the State Oil Conservation Commission do not involve or affect the United States Geological Survey in New Mexico.

Therefore, I do not feel that it would be proper for an entry of an appearance to be made by this office under these circumstances.

Sincerely yours,

JOHN QUINN
United States Attorney

JQ:dt

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED MAR 5 - 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation; PAN AMERICAN PETROLEUM CORPORATION, a corporation; MARATHON OIL COMPANY, a corporation; SOUTHWEST PRODUCTION COMPANY, a partnership; and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

-vs-

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman; E. S. WALKER, Member; A. L. Porter, Jr., Member and Secretary; CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

No. 11,685

ACCEPTANCE OF SERVICE

Comes now John Loehr, statutory agent and attorney for R & G Drilling Company, and accepts service of a copy of Notice of Appeal herein on behalf of said respondent on this 29th day of August, 1963.

s/ John F. Loehr
John Loehr, statutory agent and attorney for R & G Drilling Company

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED APR 2- 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

PETITIONERS REQUESTED FINDINGS OF FACT AND CONCLUSIONS OF LAW

REQUESTED FINDINGS OF FACT

1. Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation and Sunset International Petroleum Corporation are corporations organized under the laws of the State of Delaware and authorized to do business in the State of New Mexico; petitioner Marathon Oil Company is a corporation organized under the laws of the State of Ohio and authorized to do business in the state of New Mexico; petitioner Beta Development Company is a partnership doing business in the State of New Mexico.

2. Respondent Oil Conservation Commission of New Mexico is a duly organized agency of the State of New Mexico, whose members are Jack M. Campbell, Chairman, E. S. Walker, and A. L. Porter, Jr., Secretary; respondent Consolidated Oil & Gas, Inc., is a corporation organized under the laws of the State of Colorado and authorized to do business in the State of New Mexico.

3. Petitioners each own property in San Juan County, New Mexico, which is affected by Orders Nos. R-2259-B and R-2259-C of the New Mexico Oil Conservation Commission.

4. Proration of gas production from the Basin Dakota Pool was initiated by Order R-1670-C promulgated by the Oil Conservation Commission of New Mexico on November 4, 1960. That Order established the so called "25-75 formula" for the allocation of allowable between wells in the pool. Under the formula allowable was allocated 25% upon the acreage attributable to the well and 75% upon the acreage attributable to the well multiplied by the deliverability factor of the well. This formula was applicable to all production from the Baskin Dakota Pool from the initiation of proration of its production until the promulation of Order R-2259-B. During the period that Order R-1670-C was in effect 372 wells were drilled by operators in the pool under the provisions of, and in reliance upon, the 25-75 formula.

5. On April 18 through April 21, 1962, Respondent Oil Conservation Commission of New Mexico considered at hearing the applicatinn of Respondent Consolidated Oil & Gas, Inc., to change the proration formula for the Basin Dakota Gas Pool located in San Juan, Rio Arriba and Sandoval Counties, New Mexico, from a formula based twenty-five percent upon acreage and seventy-five percent upon acreage multiplied by deliverability to a formula based sixty percent upon acreage and forty percent upon acreage multiplied by deliverability. By its Order No. R-2259, dated June 7, 1962, the Commission denied the applicatinn. Consolidated Oil & Gas, Inc., then applied for rehearing which was granted by Commission Order No. R-2259-A, dated July 7, 1962. On July 9, 1963, following rehearing, Respondent Oil Conservation Commission of New Mexico entered its Order No. R-2259-B changing the proration formula for the Basin Dakota Gas Pool to sixty per cent acreage and

forty per cent acreage times deliverability as requested by Respondent Consolidated Oil & Gas, Inc.

6. The facts with reference to the signing and promulation of Order R-2259-B were these. On July 3, 1963, two members of the New Mexico Oil Conservation Commission met and signed an original and one copy of Oil Conservation Commission Order No. R-2259-B; that said original order was forwarded to the printer for reproduction; upon the return of the original order from the printer, both the original and the copy of said order were signed by the third member of the Commission; the signed copy of said Order No. R-2259-B, upon being signed by the third member of the Commission, was placed in the file of Case No. 2504; the original order was then placed in full, as required by Sec. 65-3-6, N.M.S.A., 1953 Comp., in a book kept in the Commission office for such purpose, this action being taken at the direction of A. L. Porter, Jr., Secretary-Director of the Commission, and said A. L. Porter, Jr., thereupon endorsed on the order placed in said book the following:

"Entered July 9, 1963
A. L. P."

upon the first page of such original order.

7. On July 26, 1963, Petitioner El Paso Natural Gas Company filed with the Commission its Application for Rehearing setting forth the respect in which such Order was believed to be erroneous, which Application for Rehearing was denied by the Commission in its Order No. R-2259-C, dated August 1, 1963. On July 29, 1963, Petitioners Pan American Petroleum Corporation, Marathon Oil Company, Southwest Production Company and Sunset International Petroleum Corporation filed with the Commission their Applications for Rehearing setting forth the respect in which Order No. R-2259-B was believed to be erroneous, which Applications for Rehearing also were denied by the Commission in its Order No. R-2259-C, dated August 1, 1963.

M.S.T. & T.Co.

TELEPHONE MESSAGE

Rev. 1-60

M R L Dr

You were called at ____ a.m. / p.m. Date ____

By Pap Gaston

☐ Is Waiting On Line

☐ Please Call ____ Ext. ____

☐ Returned Your Call ☐ Will Call Again

Please Call ____
OPERATOR NO. CITY

And Ask for M ____

At Telephone No. ____ Ext. ____

Left this Message

(Over)

Use Your "Blue Book"

FOR FASTER LONG DISTANCE SERVICE-CALL BY NUMBER

8. Beta Development Company has succeeded to the interest of Petitioner Southwest Production Company in the Basin Dakota Pool and has been substituted for Southwest Production Company as a party hereto.

9. That a copy of said Order No. R-2259-B was mailed by the Commission to the Supreme Court Library and to all interested parties on July 9, 1963, and that no notice of said order was given to any party prior to said date, nor did any party have actual knowledge of said order prior to July 9, 1963.

10. That on August 20, 1963, Petitioners filed herein their Petition for Review of Order Nos. R-2259-B and R-2259-C.

11. That notice of appeal to the District Court of San Juan County, New Mexico, was served by Petitioners upon the Respondent Consolidated Oil & Gas, Inc., uponthe Respondent Oil Conservation Commission, and upon all adverse parties, in the manner provided by law.

12. The Commission, having purported to find (1) the amount of recoverable gas under each producers tract in the Basin Dakota Pool, (2) a total amount of recoverable gas in the Pool and (3) the proportion that (1) bears to (2), wholly failed to make any finding or determination as to what portion of the proportion so arrived at could be recovered <u>without waste</u>.

13. The Commission, in its Order No. R-2259-B made no finding what waste was occurring under the original 25-75 formula, or that waste could be prevented by the 60-40 formula.

14. The Commission's order is unreasonable and unlawful because it is based on affirmative findings which were illusory and which do not meet the statutory standards for a valid allocation of gas production.

15. The Commission's order does not equitably protect correlative rights insofar as is practicable in accordance with statutory standards.

16. Order No. R2259-B is not supported by substantial evidence.

17. Findings No. (5), (6), (7), (9), (11), (14), (15), (16), and (17), of Order R-2259-B are not supported by substantial evidence in that each is based directly, or indirectly, upon a determination of initial recoverable reserves which was based on out of date data designed to determine the recoverable reserves in the pool as a whole and not suitable or reliable as a basis for determining the recoverable gas in place under individual tracts in the pool, which data was erroneously received in evidence over the timely objection of Petitioner El Paso Natural Gas Company.

18. Findings No. (9), (10), (11), (13), (14), (15), (16), and (17), of Order R-2259-B are not supported by substantial evidence in that each is based directly, or indirectly, upon a comparison of initial recoverable reserves for the individual tracts in the Basin Dakota Pool with current deliverabilities of the wells located upon said tracts. The comparison so made is not meaningful, is illusory and discriminatory, and does not constitute substantial evidence to support the findings so based upon it.

19. There is no substantial evidence to support Finding No. 13 of the Commission that correlative rights are not being adequately protected under the present 25-75 formula and that waste will result unless the Commission acts to protect correlative rights.

20. There is no substantial evidence in the record to support the Commission's Findings Nos. 14, 15 and 16, in that the record affirmatively shows that approximately half of the wells in the Basin Dakota Pool will not be permitted to recover their just and equitable share of the gas in the pool, as defined by applicable statutes, or a figure within a reasonable tolerance thereof, under the 60-40 formula promulgated by the Commission.

21. There is no substantial evidence in the record to support Commission's Findings, 9, 10 , 11, 13, 14, 15, 16 and 17, in that each is based upon a determination of the initial recoverable gas reserves in the Basin Dakota Gas Pool and the initial recoverable gas reserves underlying each non-marginal tract which fails to take into account the portion of the recoverable gas in place which can be produced without waste.

22. The Commission's Findings Nos. (11), (12), (13), (14), (15), (16), and (17), are not supported by substantial evidence in that each is based directly, or indirectly, upon a calculation of initial recoverable gas reserves in the Basin Dakota Gas Pool and initial recoverable gas reserves underlying each non-marginal tract in the Pool which, as found by the Commission, is impracticable as a basis for allocation of production due to continuous fluctuation which will result therein during the life of Order R-2259-B.

CONCLUSIONS OF LAW

1. The Court has jurisdiction of the subject matter of this action and of all necessary and indispensable parties thereto.

2. Order No. R-2259-B is unreasonable and unlawful and void by reason of the failure of the Oil Conservation Commission to make required findings of jurisdictional fact as to the portion of the reserves of the Basin Dakota Pool and the individual tracts therein which can be produced without waste.

3. Order No. R-2259-B is unreasonable and unlawful and void by reason of the fact that the findings of fact upon which it is predicated are not supported by substantial evidence.

4. Petitioners in this proceeding exhausted their administrative remedy before the Oil Conservation Commission of New Mexico and are entitled to review of the validity of Order No. R-2259-B in this proceeding.

5. The validity of Order R-1670-C and of the 25-75 formula promulgated by it has not been passed upon by the Oil Conservation Commission of New Mexico, is not an issue in this case and is not material to the validity of Order No. R-2259-B which has been issued in this case.

ATWOOD & MALONE

By Ross Malone s/wrf
Post Office Drawer 700
Roswell, New Mexico

Ben Howell s/ wrf

Garrett Whiteworth s/wrf
EL PASO NATURAL GAS COMPANY
El Paso, Texas

Kent Hampton s/wrf
MARATHON OIL COMPANY
Post Office Box 120
Casper, Wyoming

J. K. Smith, s/wrf
PAN AMERICAN PETROLEUM CORPORATION
Post Office Box 1410
Fort Worth, Texas

SETH, MONTGOMERY, FEDERICI & ANDREWS

By w/ Wm Federici
Post Office Box 2307
Santa Fe, New Mexico

VERITY, BURR, COOLEY & JONES

By George Verity s/ wrf
Petroleum Center Building
Farmington, New Mexico

Attorneys for Petitioners

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED APR 2 - 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, et al.,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents.

REQUESTED FINDINGS OF FACT AND CONCLUSIONS OF LAW OF RESPONDENTS OIL CONSERVATION COMMISSION, TEXACO INC., AND SUNRAY DX OIL COMPANY

Respondents Oil Conservation Commission of New Mexico, Texaco Inc., and Sunray DX Oil Company respectfully submit to the Court the following:

FINDINGS OF FACT

1. Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, and Sunset International Petroleum Corporation are corporations authorized to do business in the State of New Mexico; Petitioner Southwest Production Company is a partnership consisting of Joseph P. Driscoll and John H. Hill, doing business as a partnership in the State of New Mexico.

2. After commencement of this cause, Beta Development Co., a Texas corporation, was substituted for Southwest Production Company as a petitioner.

3. Respondent Oil Conservation Commission of New Mexico is a duly organized agency of the State of New Mexico, whose members are Jack M. Campbell, Chairman, E. S. Walker, and A. L. Porter, Jr., Secretary; Respondent Consolidated Oil & Gas, Inc., is a corporation authorized to do business in the State of New Mexico.

4. By Order of the Court, Texaco Inc. and Sunray DX Oil Company, corporations authorized to do business in the State of New Mexico, were granted leave to intervene as parties respondent in this cause, and Pubco Petroleum Corporation and Southern Union Gas Company were permitted to appear amicus curiae.

5. In November 1960, the Oil Conservation Commission issued Order No. R-1670-C which established Special Rules and Regulations for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, and adopted, by reference, Rule 9 (C) of the General Rules applicable to prorated gas pools in Northwest New Mexico as set forth in Order No. R-1670. Rule 9 (C) of Order No. R-1670 established a formula for allocating gas production from prorated gas pools in Northwest New Mexico on the basis of 25 percent acreage plus 75 percent acreage times deliverability. Until August 1, 1963, the effective date of Order No. R-2259-B, the allocation of allowable production of gas from the Basin-Dakota Gas Pool was determined by this formula. Since the effective date of Order No. R-2259-B, the allocation of allowable gas production in the Basin-Dakota Gas Pool has been determined by a formula of 60 percent acreage plus 40 percent acreage times deliverability.

6. On February 23, 1962, Consolidated Oil & Gas, Inc., filed its application with the Commission to change the formula for allocating the allowable gas production in the Basin-Dakota Gas Pool from a formula of 25 percent acreage plus 75 percent acreage times deliverability to a formula of 60 percent acreage plus 40 percent acreage times deliverability. This application was docketed by the Commission as its Case No. 2504. The case was duly advertised and heard by the Commission as its Case No. 2504. The case was duly advertised and heard by the Commission on April 18 and 19, 1962. On June 7, 1962, the Commission issued Order No. R-2259- which found that the evidence presented at the

hearing of the case concerning recoverable gas reserves in the pool was insufficient to justify any change in the allocation formula and denied the application, retaining jurisdiction for the entry of such further orders as the Commission might deem necessary.

7. On June 27, 1962, Consolidated Oil & Gas, Inc., filed a petition for Rehearing, and on July 7, 1962, the Commission issued Order No. R-2259-A which found that a rehearing should be granted and that the scope of the rehearing should be limited to matters concerning recoverable gas reserves in the pool. Order No. R-2259-A granted a rehearing and limited the scope of the rehearing to matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool.

8. On February 14 and 15, 1963, the Commission reheard Case No. 2504 and subsequently issued Order No. R-2259-B. By Order No. R-2259-B, the Commission superseded Order No. R-2259, which had denied Consolidated's application, and amended the Special Rules and Regulations for the Basin-Dakota Gas Pool as promulgated by Order No. R-1670-C. The new formula allocated the allowable assigned to non-marginal wells in the following manner:

(1) Forty percent in the proportion that each well's acreage times deliverability factor bears to the total of the acreage times deliverability factors for all non-marginal wells in the pool.

(2) Sixty percent in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

9. In Finding No. 3 of Order No. R-1670-C, the Commission determined that the producing capacity of the wells in the Dakota Producing Interval was in excess of the market demand for

gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area.

10. Order No. R-2259-B contained 18 findings to substantiate adoption of the new formula.

In Findings No. 1 through 4, the Commission determined that it had jurisdiction of the cause, that the Commission had adopted a formula for allocating allowable production from the Basin-Dakota Gas Pool on the basis of 25 percent acreage plus 75 percent acreage times deliverability, and that Consolidated sought to amend the formula to allocate the allowable production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

In Finding No. 5, the Commission determined the total initial recoverable gas reserves in the Basin-Dakota Gas Pool and the amount which was attributed to marginal wells which were permitted to produce at capacity.

In Finding No. 6, the Commission determined, in million cubic feet, the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool.

In Finding No. 7, the Commission determined the percent of total pool reserves attributable to each non-marginal tract in the pool.

In Finding No. 8, the Commission determined that it was not practicable to allocate production solely on the basis of each well's percentage of pool reserves because of the continuous fluctuation in reserve computations resulting from new completions in the pool and the re-evaluation of reserves attributed to existing wells.

In Finding No. 9, the Commission determined a tract acreage factor and the deliverability for each non-marginal well in the pool.

In Finding No. 10, the Commission determined that neither acreage nor deliverability should be used as the sole criterion for allocating production as there was no direct correlation between deliverability and reserves, or acreage and reserves.

In Finding No. 11, the Commission determined that the most reasonable basis for allocating production in the Basin-Dakota Gas Pool was to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, and to select the allocation formula that would allow the maximum number of wells in the pool to produce with an ideal ratio of 1.0, or with a ratio of from 0.7 to 1.3, which was reasonable due to inherent variance in interpreting and computing reserves.

In Finding No. 12, the Commission determined that the number of wells in the pool producing with a desired ratio was affected by the percentage of deliverability and the percentage of acreage included in the formula.

In Finding No. 13, the Commission determined that correlative rights were not being adequately protected under the formula then in effect, that the protection of correlative rights was a necessary adjunce to the prevention of waste, and that waste would result unless the Commission acted to protect correlative rights.

The Commission identified each non-marginal well producing with the desired ratio under each formula with an asterisk and determined, in Finding No. 14, that a comparison of the total number of wells producing with the desired ratio under each formula and the total volume of gas allocated to the wells producing with the desired ratio under each formula established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability would more adequately

protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool.

In Finding No. 15, the Commission determined that numerous wells in the pool were capable of draining more than their just and equitable share of the gas and that the proposed formula would, insofar as practicable, prevent drainage between producing tracts which was not equalized by counter-drainage.

In Finding No. 16, the Commission determined that the proposed formula would, insofar as practicable, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

In Finding No. 17, the Commission determined that Order No. R-1670-C should be amended to provide an allocation formula based 60 percent on acreage and 40 percent on acreage times deliverability.

In Finding No. 18, the Commission determined that Order No. R-2259-B should not be effective until August 1, 1963.

11. Following the issuance of Order No. R-2259-B, Applications for Rehearing in Case No. 2504 were filed with the Commission by all of the Petitioners in this case.

12. On August 1, 1963, the Commission issued Order No. R-2259-C which determined that the applications for Rehearing did not allege that the applicants for rehearing had new or additional evidence to present, that the Commission had carefully considered the evidence presented in the case and was fully advised in the premises, and that Order No. R-2259-B was proper in all respects. By Order No. R-2259-C, the Commission denied the Applications for Rehearing.

13. Petitions for Review were thereafter duly filed by all of the Petitioners in this case.

14. The Oil Conservation Commission did not act fraudulently,

arbitrarily or capriciously in issuing Order No. R-2259-B and R-2259-C.

15. The Transcript of Record and Proceedings in Case No. 2504 before the Oil Conservation Commission contains substantial evidence to support the Commission's findings in Order No. R-2259-B.

16. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

17. Oil Conservation Commission Orders No. R-2259-B and R-2259-C are not erroneous, invalid, improper, or discriminatory.

18. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B allocates the allowable production among the gas wells in the Basin-Dakota Gas Pool upon a reasonable basis, recognizing correlative rights, and, insofar as practicable, prevents drainage between producing tracts in the pool which is not equalized by counter-drainage.

19. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B affords to the owner of each property in the Basin-Dakota Gas Pool the opportunity to produce without waste his just and equitable share of the gas in the pool, insofar as it is practicable to do so, and for this purpose to use his just and equitable share of the reservoir energy.

20. Oil Conservation Commission Order No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

21. Petitioners have failed to join parties whose interests will necessarily be affected by a decree in this case.

CONCLUSIONS OF LAW

1. The Court has jurisdiction over the subject matter of this suit and the parties thereto.

2. Oil Conservation Commission Order No. R-2259-B contains the basic jurisdictional findings required by law to issue a valid

order allocating allowable gas production among the producers in a pool.

3. Oil Conservation Commission Order No. R-2259-B contains findings which fully comply with all statutory requirements concerning allocation of allowable gas production among producers in a pool.

4. The findings contained in Oil Conservation Commission Order No. R-2259-B are based upon and supported by substantial evidence.

5. Oil Conservation Commission Order No. $-2259-B and R-2259-C will prevent waste and protect correlative rights.

6. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Orders No. R-2259-B and R-2259-C.

7. The Oil Conservation Commission did not exceed its authority in issuing Order No. R-2259-B and R-2259-C.

8. The Oil Conservation Commission had jurisdiction to enter Orders No. R-2259-B and R-2259-C.

9. The Petitioners have failed to sustain the burden of proof placed upon them by law and therefore the Petition for Review should be dismissed and Oil Conservation Commission Orders No. R-2259-B and R-2259-C should be affirmed.

10. The Petition for Review must be dismissed and judgment entered for the Respondents as Petitioners have failed to join necessary and indispensable parties.

s/ J M Durrett Jr
J. M. DURRETT, Jr.
Special Assistant
Attorney General

Attorney for Respondent
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

s/ L C White
GILBERT, WHITE & GILBERT
Attorneys for Respondents
Texaco Inc., and Sunray DX
Oil Company, P. O. Box 787,
Santa Fe, New Mexico

I certify that a copy of this pleading was mailed to opposing counsel of record on March 30, 1964.

s/ J M Durrett Jr
J. M. Durrett, Jr.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED APR 2 - 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, et al.,

Petitioners,

-vs-

No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents.

REQUESTED FINDINGS OF FACT AND CONCLUSIONS OF LAW OF RESPONDENT CONSOLIDATED OIL & GAS, INC.

Comes now the Respondent Consolidated Oil & Gas, Inc., in the above styled and numbered cause and respectfully requests the Court to adopt the following:

FINDINGS OF FACT

1. Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, and Sunset International Petroleum Corporation are corporations authorized to do business in the State of New Mexico; Petitioner Southwest Production Company is a partnership consisting of Joseph P. Driscoll and John H. Hill, doing business as a partnership in the State of New Mexico.

2. After commencement of this cause, Beta Development Co., a Texas Corporation, was substituted for Southwest Production Company as a petitioner.

3. Respondent Oil Conservation Commission of New Mexico is a duly organized agency of the State of New Mexico, whose members are Jack M. Campbell, Chairman, E. S. Walker, and A. L. Porter, Jr., Secretary; Respondent Consolidated Oil & Gas, Inc., is a corporation authorized to do business in the State of New Mexico.

4. By order of the Court, Texaco, Inc., and Sunray DX Oil Company, corporations authorized to do business in the State of New Mexico, were granted leave to intervene as parties respondent in this cause, and Pubco Petroleum Corporation and Southern Union Gas Company were permitted to appear amicus curiae.

5. In November, 1960, the Oil Conservation Commission issued Order No. R-1670-C which established Special Rules and Regulations for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, and adopted, by reference, Rule 9 (C) of the General Rules applicable to prorated gas pools in Northwest New Mexico as set forth in Order No. R-1670. Rule 9 (C) of Order No. R-1670 established a formula for allocating gas production from prorated gas pools in Northwest New Mexico on the basis of 25 percent acreage plus 75 percent acreage times deliverability. Until August 1, 1963, the effective date of Order No. R-2259-B, the allocation of allowable production of gas from the Basin-Dakota Gas Pool was determined by this formula. Since the effective date of Order No. R-2259-B, the allocation of allowable gas production in the Basin-Dakota Gas Pool has been determined by a formula of 60 percent acreage plus 40 percent acreage times deliverability.

6. On February 23, 1962, Consolidated Oil & Gas, Inc., filed its application with the Commission to change the formula for allocating the allowable gas production in the Basin-Dakota Gas Pool from a formula of 25 percent acreage plus 75 percent acreage times deliverability to a formula of 60 percent acreage plus 40 percent acreage times deliverability. This application was docketed by the Commission as its Case No. 2504. The case was duly advertised and heard by the Commission on April 18 and 19, 1962. On June 7, 1962, the Commission issued Order No. R-2259 which found that the evidence presented at the hearing of the case concerning recoverable gas reserves in the pool was

insufficient to justify any change in the allocation formula and denied the applicatinn, retaining jurisdiction for the entry of such further orders as the Commission might deem necessary.

7. On June 27, 1962, Consolidated Oil & Gas, Inc., filed a Petition for Rehearing, and on July 7, 1962, the Commission issued Order No. R-2259-A which found that a rehearing should be granted and that the scope of the rehearing should be limited to matters concerning recoverable gas reserves in the Basin-Dakota Gas pool.

8. On February 14 and 15, 1963, the Commission reheard Case No. 2504 and subsequently issued Order No. R-2259-B. By Order No. R-2259-B, the Commission superseded Order No. R-2259, which had denied Consolidated's application, and amended the Special Rules and Regulations for the Basin-Dakota Gas Pool as promulgated by Order No. R-1670-C. The new formula allocated the allowable assigned to non-marginal wells in the following manner:

> (1) Forty percent in the proportion that each well's acreage times deliverability factor bears to the total of the acreage times deliverability factors for all non-marginal wells in the pool.
>
> (2) Sixty percent in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

9. In Finding No. 3 of Order No. R-1670-C, the Commissiom determined that the producing capacity of the wells in the Dakota Producing Interval was in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appr[illegible]iate procedures should be adopted to provide a method of allocating gas among proration units in the area.

10. Order No. R-2259-B contained 18 findings to substantiate

adoption of the new formula.

In Findings No. 1 through 4, the Commission determined that it had jurisdiction of the case, that the Commission had adopted a formula for allocating allowable production from the Basin-Dakota Gas Pool on the basis of 25 percent acreage plus 75 percent acreage times deliverability, and that Consolidated sought to amend the formula to allocate the allowable production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

In Finding No. 5, the Commission determined the total initial recoverable gas reserves in the Basin-Dakota Gas Pool and the amount which was attributed to marginal wells which were permitted to produce at capacity.

In Finding No. 6, the Commission determined, in million cubic feet, the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool.

In Finding No. 7, the Commission determined the percent of total pool reserves attributable to each non-marginal tract in the pool, and in Exhibit A attached to Order No. R-2259-B, Column I, is a determination by the Commission of the percent of the total pool allowable attributable to each non-marginal tract in the pool under Order No. R-2259-B.

In Finding No. 8, the Commission determined that it was not practicable to allocate production solely on the basis of each well's percentage of pool reserves because of the continuous fluctuation in reserve computations resulting from new completions in the pool and the re-evaluation of reserves attributed to existing wells.

In Finding No. 9, the Commission determined a tract acreage factor and the deliverability for each non-marginal well in the pool.

In Finding No. 10, the Commission determined that neither acreage nor deliverability should be used as the sole criterion

for allocating production as there was no direct correlation between deliverability and reserves, or acreage and reserves.

In Finding No. 11, the Commission determined that the most reasonable basis for allocating production in the Basin-Dakota Gas Pool was to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, and to select the allocation formula that would allow the maximum number of wells in the pool to produce with an ideal ratio of 1.0, or with a ratio of from 0.7 to 1.3, which was reasonable due to inherent variance in interpreting and computing reserves.

In Finding No. 12, the Commission determined that the number of wells in the pool producing with a desired ratio was affected by the percentage of deliverability and the percentage of acreage included in the formula.

In Finding No. 13, the Commission determined that correlative rights were not being adequately protected under the formula then in effect, that the protection of correlative rights was a necessary adjunct to the prevention of waste, and that waste would result unless the Commission acted to protect correlative rights.

The Commission identified each non-marginal well producing with the desired ratio under each formula with an asterisk and determined, in Finding No. 14, that a comparison of the total number of wells producing with the desired ratio under each formula and the total volume of gas allocated to the wells producing with the desired ratio under each formula established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability would more adequately protect correlative rights and prevent waste by permiting more wells to receive their just and equitable share of the gas in the pool.

In Finding No. 15, the Commission determined that numerous wells in the pool were capable of draining more than their just and equitable share of the gas and that the proposed formula would, insofar as practiable, prevent drainage between producing tracts which was not equalized by counter-drainage.

In Finding No. 16, the Commission determined that the proposed formula would, insofar as practicable, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

In Finding No. 17, the Commission determined that Order No. $-1670-C should be amended to provide an allocation formula based 60 percent on acreage and 40 percent on acreage times deliverability.

In Finding No. 18, the Commission determined that Order No. R-2259-B should not be effective until August 1, 1963.

11. Following the issuance of Order No. R-2259-B, Applications for Rehearing in Case No. 2504 were filed with the Commission by all of the Petitioners in this case.

12. On August 1, 1963, the Commission issued Order No. R-2259-C which determined that the applications for Rehearing did not allege that the applicants for rehearing had new or additional evidence to present, that the Commission had carefully considered the evidence presented in the case and was fully advised in the premises, and that Order No. R-2259-B was proper in all respects. By Order No. R-2259-C, the Commission denied the Applications for Rehearing.

13. Petitions for Review were thereafter duly filed by all of the Petitioners in this case.

14. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Orders No. R-2259-B and R-2259-C.

15. The Transcript of Record and Proceedings in Case No. 2504 before the Oil Conservation Commission contains sub-

stantial evidence to support the Commission's findings in Order No. R-2259-B.

16. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

17. Oil Conservation Commission Orders No. R-2259-B and R-2259-C are not erroneous, invalid, improper, or discriminatory.

18. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B allocates the allowable production among the gas wells in the Basin-Dakota Gas Pool upon a reasonable basis, recognizing correlative rights, and, insofar as practicable, prevents drainage between producing tracts in the pool which is not equalized by counter-drainage.

19. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B affords to the owner of each property in the Basin-Dakota Gas Pool the opportunity to produce without waste his just and equitable share of the gas in the pool, insofar as it is practicable to do so, and for this purpose to use his just and equitable share of the reservoir energy.

20. Oil Conservation Commission Orders No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

21. Humble Oil & Refining Company, Skelly Oil Company, The Atlantic Refining Company, Benjamin K. Horton & Associates, R. & G. Drilling Company, The United States Geological Survey, Tidewater Oil Company, Bruce Anderson Oil & Gas Properties, The Frontier Refining Company, Kay Kimbell Oil Company, Amerada Petroleum Corporation, Continental Oil Company, Beard Oil Company, Delhi Oil Corporation, Western Natural Gas Company, Compass Exploration Co., Tenneco Oil Company, Caulkins Oil Company, Pioneer Production Co., and The British American Oil Producing Company, and each of the, participated in the hearings before the Oil Conservation Commission as appears on

the face of the record, and they are, and each of them is, a necessary and indispensable parto to this action, whose interest in the controversy is such that no final judgment can be entered which will do justice between the parties without injuriously affecting the rights of said parties. Said parties are owners and operators of gas properties in the Basin-Dakota Gas Pool and will be directly affected by, and be subject to, any order entered by the Court in this proceeding, and said parties havenot been brought before the Court in this proceeding.

22. Petitioners have failed to exhause their administrative remedy in that their petition for reheaing before the Oil Conservation Commission was not timely filed.

23. Unless implemented by Oil Conservation Commission Order No. R-2259-B, Orders No. R-1670 and No. R-1670-C are invalid and void for the reason they do not contain the jurisdictional findings required by law.

CONCLUSIONS OF LAW

1. The Court is without jurisdiction to grant the relief sought by Petitioners by reason of the fact Petitioners have failed to name indispensable parties in this proceeding.

2. The Court is without jurisdiction to grant the relief sought by Petitioners by reason of the fact petitioners failed to exhaust their administrative remedy.

3. The Court has jurisdiction over the subject matter of this suit and the parties hereto.

4. Oil Conservation Commission Order No. R-2259-B contains the basic jurisdictional findings required by law to issue a valid order allocating allowable gas production among the producers in a pool.

5. Oil Conservation Commission Order No. R-2259-B contains findings which fully comply with all statutory requirements concerning allocation of allowable gas production among producers

in a pool.

6. The findings contained in Oil Conservation Commission Order No. R-2259-B are based upon and supported by substantial evidence.

7. Oil Conservation Commission Orders No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

8. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Orders No. R-2259-B and R-2259-C.

9. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

10. The Oil Conservation Commission had jurisdiction to enter Orders No. R-2259-B and R-2259-C.

11. The Petitioners have failed to sustain the burden of proof placed upon them by law and therefore the Petition for Review should be dismissed and Oil Conservation Commission Orders No. R-2259-B and R-2259-C should be be affirmed.

12. Insofar as it relates to the Basin-Dakota Gas Pool, Commission Orders No. R-1670 and R-1670-C were invalid and void.

13. As amended and implemented by Order No. R-2259-B, Orders No. R-1670 and R-1670-C became and now are valid orders allocating gas production among the producers of the Basin-Dakota Gas Pool.

14. The petition for review should be dismissed and judgment entered for the Respondents herein.

CONSOLIDATED OIL & GAS, INC.

T. P. Stockmar
Holme, Roberts, More & Owen
Denver, Colorado

Kellahin & Fox
54½ East San Francisco
Santa Fe, New Mexico

By s/ Jason W. Kellahin

I hereby certify that a true copy of the foregoing instrument was mailed to opposing counsel of record this 30th day of March, 1964

s/ Jason W. Kellahin

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED APR 2 - 1964
Virginia A. Kittell
CLERK

No. 11685

RECORDED BOOK E-2
PAGE 74

DECISION OF THE COURT

The above-entitled cause having come on for trial and the Court having heard all of the evidence, arguments of counsel, and the parties having submitted Requested Findings of Fact and Conclusions of Law, and being sufficiently advised in the premises, the Court makes the following,

FINDINGS OF FACT

1. Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, and Sunset International Petroleum Corporation are corporations authorized to do business in the State of New Mexico; Petitioner Southwest Production Company is a partnership consisting of Joseph P. Driscoll and John H. Hill, doing business as a partnership in the State of New Mexico.

2. After commencement of this cause, Beta Development Co., a Texas Corporation was substituted for Southwest Production Company as a Petitioner.

3. Respondent Oil Conservation Commission of New Mexico is a duly organized agency of the State of New Mexico, whose members are Jack M. Campbell, Chairman, E. S. Walker and A. L.

Porter, Jr., Secretary; Respondent Consolidated Oil & Gas, Inc., is a corporatinn authorized to do business in the State of New Mexico.

4. By Order of the Court, Texaco, Inc., and Sunray DX Oil Company corporations authorized to do business in the State of New Mexico, were granted leave to intervene as parties respondent in this cause, and Pubco Petroleum Corporation and Southern Union Gas Company were permitted to appear amicus curiae.

5. In November, 1960, the Oil Conservation Commission issued Order No. R-1670-C which established Special Rules and Regulations for the Basin-Dakota Gas Pool in San Juan, Rio Arriba and Sandoval Counties, New Mexico, and adopted, by reference, Rule 9 (C) of the General Rules applicable to pro-rated gas pools in Northwest New Mexico as set forth in Order No. R-1670. Rule 9 (C) of Order No. R-1670 established a formula for allocating gas production from pro-rated gas pools in Northwest New Mexico on the basis of 25 percent acreage plus 75 percent acreage times deliverability. Until August 1, 1963, the effective date of Order No. R-2259-B, the allocation of allowable production of gas from the Basin-Dakota Gas Pool was determined by this formula. Since the effective date of Order No. R-2259-B, the allocation of allowable gas production in the Basin-Dakota Gas Pool has been determined by formula of 60 percent acreage plus 40 percent acreage times deliverability.

6. On February 23, 1962, Consolidated Oil & Gas, Inc., filed its application with the Commission to change the formula for allocating the allowable gas production in the Basin-Dakota Gas Pool from a formula of 25 percent acreage plus 75 percent acreage times deliverability to a formula of 60 percent acreage plus 40 percent acreage times deliverability. This application was docketed by the Commission as its Case No. 2504. The case was duly advertised and heard by the Commission on April 18 and 19, 1962. On June 7, 1962, the Commission issued Order No. R-2259

which found that the evidence presented at the hearing of the case concerning recoverable gas reserves in the pool was insufficient to justify any change in the allocation formula and denied the applicatinn, retaining jurisdiction for the entry of such further orders as the Commission might deem necessary.

7. On June 27, 1962, Consolidated Oil & Gas, Inc., filed a Petition for Rehearing, and on July 7, 1962, the Commission issued Order No. R-2259-A which found that a rehearing should be granted and that the scope of the rehearing should be limited to matters concerning recoverable gas reserves in the Pool. Order No. R-2259-A granted a rehearing and limited the scope of the rehearing to matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool.

8. On February 14, and 15, 1963, the Commission reheard Case No. 2504 and subsequently issued Order No. R-2259-B. By Order No. R-2259-B, the Commission superseded Order No. R-2259, which had denied Consolidated's application and amended the Special Rules and regulations for the Basin-Dakota Gas Pool as promulgated by Order No. R-1670-C. The new formula allocated the allowable assigned to non-marginal wells in the following manner:

> (1) Forty percent in the proportion that each well's acreage times deliverability factor bears to the total of the acreage times deliverability factors for all non-marginal wells in the pool.
>
> (2) Sixty percent in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

9. In Finding No. 3 of Order No. R-1670-C, the Comission determined that the producing capacity of the wells in the Dakota Producing Interval was in excess of the market demand for

gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area.

10. Order No. R-2259-B contained 18 findings to substantiate adoption of the new formula.

In Findings No. 1 through 4, the Commission determined that it had jurisdiction of the cause, that the Commission had adopted a formula for allocating allowable production from the Basin-Dakota Gas Pool on the basis of 25 percent acreage plus 75 percent acreage times deliverability, and that Consolidated sought to amend the formula to allocate the allowable production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

In finding No. 5, the Commission determined the total initial recoverable gas reserves in the Basin-Dakota Gas Pool and the amount which was attibuted to marginal wells which were permitted to produce at capacity.

In Finding No. 6, the Commission determined, in million cubic feet, the initial recoverable gas reserves underlying each non-marginal tract of the Basin-Dakota Gas Pool.

In Finding No. 7, the Commission determined the percent of total pool reserves attributable to non-marginal tract in the pool.

In Finding No. 8, the Commission determined that it was not practicable to allocate production solely on the basis of each well's percentage of pool reserves because of the continuous fluctuation in reserve computations resulting from new completions in the pool and the re-evaluation of reserves attributed to existing wells.

In Finding No. 9, the Commission determined a tract acreage factor and the deliverability for each non-marginal well in the pool.

In Finding No. 10, the Commission determined that neither acreage nor deliverability should be used as the sole criterion for allocating production as there was no direct correlation between deliverability and reserves, or acreage and reserves.

In Finding No. 11, the Commission determined that the most reasonable basis for allocating production in the Basin-Dakota Gas Pool was to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, and to select the allocation formula that would allow the maximum number of wells in the pool to produce with an ideal ratio of 1.0, or with a ratio of from 0.7 to 1.3, which was reasonable, due to inherent variance in interpreting and computing reserves.

In Finding No. 12, the Commission determined that the number of wells in the pool producing with a desired ratio was affected by the percentage of deliverability and the percentage of acreage included in the formula.

In Finding No. 13, the Commission determined that correlative rights were not being adequately protected under the formula then in effect, that the protection of correlative rights was a necessary adjunct to the prevention of waste, and that waste would result unless the Commission acted to protect correlative rights.

The Commission identified each non-marginal well producing with the desired ratio under each formula with an asterisk and determined, in Finding No. 14, that a comparison of the total number of wells producing with the desired ratio under each formula and the total volume of gas allocated to the wells producing with the desired ratio under each formula established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability would more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool.

In Finding No. 15, the Commission determined that numerous wells in the pool were capable of draining more than their just and equitable share of the gas and that the proposed formula would, insofar as practicable, prevent drainage between producing tracts which was not equalized by counter-drainage.

In Finding No. 16, the Commission determined that the proposed formula would, insofar as practicable, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

In Finding No. 17, the Commission determined that Order No. R-1670-C should be amended to provide an allocation formula based on 60 percent on acreage and 40 percent on acreage times deliverability.

In Finding No. 18, the Commission determined that Order No. R-2259-B should not be effective until August 1, 1963.

11. Following the issuance of Order No. R-2259-B, Applications for Rehearing in Case No. 2504 were filed with the Commission by all of the Petitioners in this case.

12. On August 1, 1963, the Commission issued Order No. R-2259-C which determined that the Applications for Rehearing did not allege that the applicants for reheraing had new or additional evidence to present, that the Commission had carefully considered the evidence presented in the case and was fully advised in the premises, and that Order No. R-2259-B was proper in all respects. By Order No. R-2259-C, the Commission denied the Application for Rehearing.

13. Petitions for Review were thereafter duly filed by all of the Petitioners in this case.

14. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Order No. R-2259-B and R-2259-C.

15. The Transcript of Record and Proceedings in Case No. 2504 before the Oil Conservation Commission contains substantial

evidence to support the Commission's findings in Order No. R-2259-B.

16. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

<u>16. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.</u>

17. Oil Conservation Commission Order No. R-2259-B and R-2259-C are not erroneous, invalid, improper or discriminatory.

18. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B allocates the allowable production among the gas wells in the Basin-Dakota Gas Pool upon a reasonable basis, recognizing correlative rights, and, insofar as practicable, prevents drainage between producing tracts in the pool which is not equalized by counter-drainage.

19. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B affords to the owner of each property in the Basin-Dakota Gas Pool the opportunity to produce without waste his just and equitable share of the gas in the pool, insofar as it is practicable to do so, and for this purpose to use his just and equitable share of the reservoir energy.

20. Oil Conservation Commission Orders No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

From the foregoing Findings of Fact, the Court makes the following,

<u>CONCLUSIONS OF LAW</u>

1. The Court has jurisdiction over the subject matter of this action and of all necessary and indispensable parties thereto.

2. Petitioners in this proceeding exhausted their administrative remedy before the Oil Conservation Commission of New Mexico and are entitled to review of the validity of Order No. R-2259-B in this proceeding.

3. Oil Conservation Commission Order No. R-2259-B contains the basic jurisdictional findings required by law to issue a valid order allocating allowable gas production among the pro-

ducers in a pool.

4. Oil Conservation Commission Order No. R-2259-B contains findings which fully comply with all statutory requirements concerning allocation of allowable gas production among producers in a pool.

5. The findings contained in Oil Conservation Commission Order No. R-2259-B are based upon and supported by substantial evidence.

6. Oil Conservation Commission Orders No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

7. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Order No. R-2259-B and R-2259-C.

8. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

9. The Oil Conservation Commission has jurisdiction to enter Orders No. R-2259-B and R-2259-C.

10. The Petitioners have failed to sustain the burden of proof placed upon them by law and therefore the Petition for Reiview should be dismissed and Oil Conservation Commission Orders No. R-2259-B and R-2259-C should be affirmed.

IT IS HEREBY ORDERED, that all Requested Findings of Fact and Conclusions of Law submitted by either party and not made and entered herein by the Court are hereby refused and denied.

s/ C. C. McCulloh
DISTRICT JUDGE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED APR 2 - 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

RECORDED BOOK E-2
PAGE 79

Petitioners,

vs.

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

J U D G M E N T

This matter coming on to be heard on Petition for Review, filed herein, and after considering the transcript, summary and briefs submitted by the parties, and hearing oral argument, and after the parties submitted their Requested Findings of Fact and Conclusions of Law, and the Court has entered its Decision, and being sufficiently advised in the premises, the Court FINDS that the Petition herein should be dismissed.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED, that Judgment be entered herein in favor of Respondents and that the Petition be and it is hereby dismissed.

s/ C. C. McCulloh
DISTRICT JUDGE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED APR 27 1964
Virginia A. Kittell
CLERK

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

NOTICE OF APPEAL

Come now the Petitioners, El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, and Sunset International Petroleum Corporation, and hereby give notice that they are appealing to the Supreme Court of the State of New Mexico from the Judgment, Order, and Decision of the Court in this action, which was filed on April 2, 1964.

s/ Ben R Howell
BEN R. HOWELL

s/ Garrett C. Whitworth
GARRETT C. WHITWORTH

SETH MONTGOMERY, FEDERICI & ANDREWS

By s/ Wm R Federici
Attorneys for El Paso Natural Gas Company

s/ J K Smith
J. K. SMITH

ATWOOD & MALONE

By s/ Ross L Malone
Attorneys for Pan American Petroleum Corporation.

s/ Kent B Hampton
KENT B. HAMPTON

ATWOOD & MALONE

By s/ Ross L. Malone
Attorneys for Marathon Oil Company

SETH, MONTGOMERY, FEDERICI & ANDREWS

By s/ Wm R Federici
Attorneys for Sunset International
Petroleum Corporation

CERTIFICATE OF MAILING

I certify that I caused to be mailed one each true and correct copy of the foregoing Notice of Appeal to Jason Kellahin of Kellahin & Fox, 54½ E. San Francisco Street, Santa Fe, New Mexico, to J. M. Durrett, Jr., Special Assistant Attorney General, representing the New Mexico Oil Conservation Commission, and to Gilbert, White & Gilbert, Bishop Building, Santa Fe, New Mexico, opposing counsel of record, on this 24th day of April, 1964.

s/ Wm R Federici
akm

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED MAY 8 - 1964
Virginia A. Kittell
CLERK

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs

No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

N O T I C E

TO:

J. M. Durrett, Jr.
Special Assistant Attorney General
Representing the New Mexico Oil
Conservation Commission
State Land Office Building
Santa Fe, New Mexico;

Jason Kellahin
Kellahin & Fox
Attorneys for Consolidated Oil & Gas, Inc.
54½ East San Francisco Street
Santa Fe, New Mexico;

Wm. B. Kelly
Gilbert, White & Gilbert
Attorneys for Texaco, Inc., and Sunray DX
Oil Company
Bishop Building
Santa Fe, New Mexico

Please take notice that petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company and Sunset International Petroleum Corporation, by Notice of Appeal filed herein on April 27, 1964, have appealed to the Supreme Court of the State of New Mexico from the judgment, order and decision of the Court filed herein on April 2, 1964.

SETH, MONTGOMERY, FEDERICI & ANDREWS

By s/ Wm R Federici
Attorneys for El Paso Natural Gas Company and Sunset International Petroleum Corporation.

ATWOOD & MALONE

By s/ Ross L. Malone
Attorneys for Pan American Petroleum Corporation and Marathon Oil Company

PROOF OF SERVICE

I certify that I caused to be mailed one each true and correct copy of the foregoing Notice to J. M. Durrett, Jr., Special Assistant Attorney General, representing the New Mexico Oil Conservation Commission, and to Jason Kellahin, of Kellahin & Fox, 54½ East San Francisco Street, Santa Fe, New Mexico, and Wm. B. Kelly, of Gilbert, White & Gilbert, Bishop Building, Santa Fe, New Mexico, opposing counsel of record, on this 7th day of May 1964.

s/ Wm R Federici

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED MAY 8 - 1964
Virginia A. Kittell
CLERK

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a Corporation, PAN AMERICAN PETROLEUM CORPORATION, a Corporation, MARATHON OIL COMPANY, a Corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a Corporation,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a Corporation,

Respondents.

P R A E C I P E

TO: Clerk of the District Court of

San Juan County, State of New Mexico:

Please prepare a transcript of the record proper and of the proceedings in this cause to be filed with the Supreme Court of the State of New Mexico in support of the appeal heretofore taken by petitioners; the complete record and proceedings shall include, but not be limited to, the following specified matters:

(1) Complete transcript of all proceedings before the Oil Conservation Commission in OCC Case No. 2504, including transcript of testimony and all orders, petitions, applications, pleadings, and exhibits therein;

(2) Petitions for review filed by petitioners in this case;

(3) Petitioners' requested findings of fact and conclusions of law;

(4) Judgment, order, and decision of the Court in this action;

(5) Notice of Appeal (filed April 27, 1964);

(6) Notice of Appeal (to counsel), and Proof of Service;

(7) This Praecipe; and

(8) Certificate of Clerk of the District Court and Court Stenographer, showint that satisfactory arrangements have been made with them by petitioners-appellants for the payment of their compensation.

In addition to the complete record proper and proceedings in this cause, there shall be included in the transcript the notice of appeal to the district court from the New Mexico Oil Conservation Commissinn, and all affidavits of service and acceptances of service with respect thereto.

SETH, MONTGOMERY, FEDERICI & ANDREWS

By s/ Wm R Federici
Attorneys for El Paso Natural Gas Company and Sunset International Petroleum Corporation.

ATWOOD & MALONE

By s/ Ross L Malone
Attorneys for Pan American Petroleum Corporation and Marathon Oil Company

CERTIFICATE OF MAILING

I certify that I caused to be mailed one each true and correct copy of the foregoing Praecipe to J. M. Durrett, Jr., Special Assistant Attorney General, representing the New Mexico Oil Conservation Commission, and to Jason Kellahin, of Kellahin & Fox, 54½ East San Francisco Street, Santa Fe, New Mexico, and Wm. B. Kelly, of Gilbert, White & Gilbert, Bishop Building, Santa Fe, New Mexico, opposing counsel of record on this 7th day of May 1964.

s/ Wm R Federici

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED MAY 8 - 1964
Virginia A. Kittell
CLERK

IN THE DISTRICT COURT OF SAN JUAN COUNTY

STATE OF NEW MEXICO

EL PASO NATURAL GAS COMPANY, a Corporation, PAN AMERICAN PETROLEUM CORPORATION, a Corporation, MARATHON OIL COMPANY, a Corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a Corporation,

Petitioners,

vs.

No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a Corporation,

Respondents.

CERTIFICATE

VIRGINIA A. KITTELL, Clerk of the District Court of San Juan County, New Mexico, and VASTI FOWLER, Court Stenographer, hereby certify that satisfactory arrangements have been made with tjem bythe petitioners-appellants herein for the payment of their compensation to be incurred in connection with preparing a transcript of the record proper, proceedings, and other matters in this cause, in support of petitioners-appellants' appeal to the Supreme Court of the State of New Mexico from the judgment, order, and decision of the courtin this action.

s/ Virginia A. Kittell
Clerk of the District Court of
San Juan County, New Mexico

s/ Vasti Fowler
Court Stenographer

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED JUN 29 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. Walker, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

S T I P U L A T I O N

WHEREAS, Petitioners have heretofore filed their Notice of Appeal in the above cause permitting and allowing an Appeal to the Supreme Court of the State of New Mexico from the Judgment entered therein; and

WHEREAS, Petitioners and Respondents desire that the original transcript only, with exhibits and attachments thereto, of the hearing before the Oil Conservation Commission of New Mexico be submitted to the Supreme Court of New Mexico.

NOW, THEREFORE, the undersigned attorneys of record for the respective parties hereto hereby stipulate and agree that the original transcript only, with all attachments and exhibits thereto, of the hearing before the Oil Conservation Commission of New Mexico in the matter of the Applicatinn of Consolidated Oil & Gas, Inc., For An Amendment of Order No. R-1670-C, Changing The Allocation Formula For The Basin-Dakota Gas Pool, San Juan, Rio Arriba And Sandoval Counties, New Mexico, Case No. 2504,

Order No. R-2259-B, on the docket of said Commission, which transcript of proceedings was filed in evidence in the District Court of San Juan County, New Mexico, subject to objections by the parties, and received by the said District Court in evidence as an exhibit in Cause No. 11685 in the said District Court, shall be considered by the Court as if the same had been included in the transcript, bill of exceptions and record, as prepared and certified by the Clerk of the court relating to the appeal herein now pending.

IT IS FURTHER STIPULATED AND AGREED that except for the matters included in this stipulation, all other matters requested in the praecipe heretofore filed in this cause shall be included in the transcript of the record proper, subject to settlement as a bill of exceptions as in other cases provided.

s/ Ben R Howell
BEN R. HOWELL

s/ Garrett C Whitworth
GARRETT C. WHITWORTH

SETH, MONTGOMERY, FEDERICI & ANDREWS

By s/ William R Federici
Attorneys for El Paso Natural Gas Company

s/ J. K. Smith
J. K. SMITH

ATWOOD & MALONE

By s/ Ross L. Malone
Attorneys for Pan American Petroleum Corp.

s/ Kent B. Hampton
KENT B. HAMPTON

ATWOOD & MALONE

By s/ Ross L. Malone
Attorneys for Marathon Oil Company

SETH, MONTGOMERY, FEDERICI & ANDREWS

By s/ William R Federici
Attorneys for Sunset International Petroleum Corporation

PETITIONERS-APPELLANTS

s/ J M Durrett Jr
J. M. Durrett, Jr.

Special Assitant Attorney General
Representing the New Mexico Oil
Conservation Commission

KELLAHIN & FOX

By s/ Jason W. Kellahin
Attorneys for Consolidated Oil & Gas, Inc.

GILBERT, WHITE & GILBERT

By s/ William B Kelly
William B. Kelly

Attorneys for Texaco, Inc. and
Sunray DX Oil Company

RESPONDENTS-APPELLEES

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED JUN 29 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, BETA DEVELOPMENT COMPANY, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation, Petitioners, vs. OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation, Respondents.	RECORDED BOOK F-2 PAGE 141 No. 11685

O R D E R

This matter having come on to be heard upon Stipulation of counsel for preparation of the record herein, and the Court being advised in the premises,

IT IS ORDERED that permission is hereby granted to prepare and submit the original transcript only, with exhibits and attachments thereto, of the hearing before the Oil Conservation Commission of New Mexico in the matter of the Application of Consolidated Oil & Gas, Inc. For An Amendment of Order No. R-1670-C, Changing The Allocation Formula For The Basin-Dakota Gas Pool, San Juan, Rio Arriba And Sandoval Counties, New Mexico, Case No. 2504, Order No. R-2259-B, on the docket of said Commission, which transcript of proceedings was filed in evidence in the District Court of San Juan County, New Mexico, subject to objections by the parties, and received by the said District Court of San Juan County, New Mexico, subject to objections by the parties, and received by the said District Court in evidence as an exhibit in Cause No. 11685 in the said

District Court, and that the same shall be considered by the Court as if it had been included in the transcript, bill of exceptions and record, as prepared and certified by the clerk of the court relating to the appeal herein now pending.

IT IS FURTHER ORDERED that except for the matters included in the Stipulation, all other matters requested in the Praecipe heretofore filed in this cause shall be included in the transcript of the record proper, subject to settlement as a bill of exceptions as in other cases provided.

s/ C. C. McCulloh
DISTRICT JUDGE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED JUL 20 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

RECORDED BOOK F-2
PAGE 267

Petitioners,

vs.

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

O R D E R

This matter having come on to be heard before the Court on Motion of Appellants, for an Order extending the time within which to file the transcript upon appeal, and the Court being otherwise fully advised in the premises,

IT IS, THEREFORE, ORDERED, that the time within which to file the transcript upon appeal be and the same hereby is extended until the 1st day of September, 1964.

s/ C. C. McCulloh
DISTRICT JUDGE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED AUG 26 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO)
)
COUNTY OF SAN JUAN)

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

RECORDED BOOK G-2
PAGE 40

Petitioners,

vs.

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

O R D E R

This matter having come on to be heard before the Court on Motion of Appellants, for an Order extending the time within which to file the transcript upon appeal, and the Court being otherwise fully advised in the premises,

IT IS, THEREFORE, ORDERED, that the time within which to file the transcript upon appeal be and the same hereby is extended until the 1st day of October, 1964.

s/ C. C. McCulloh
DISTRICT JUDGE

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 24 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATSRAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

WAIVER OF NOTICE

Comes now the attorney for the Respondents in the above entitled cause and waives notice of the time and place of the settling of the Bill of Exceptions herein, and does hereby consent that without any further notice, the Honorable C. C. McCulloh may sign and settle said Bill of Exceptions.

s/ J M Durrett Jr
J. M. Durrett, Jr.
Special Assistant Attorney General
Representing the New Mexico Oil
Conservation Commission

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 24 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

WAIVER OF NOTICE

Comes now the attorney for the Respondents in the above entitled cause and waives notice of the time and place of the settling of the Bill of Exceptions herein, and does hereby consent that without any further notice, the Honorable C. C. McCulloh may sign and settle said Bill of Exceptions.

GILBERT, WHITE & GILBERT

By s/ William B Kelly
William B. Kelly
Attorneys for Texaco, Inc. and
Sunray DX Oil Company

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 24 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

No. 11685

WAIVER OF NOTICE

Comes now the attorney for the Respondents in the above entitled cause and waives notice of the time and place of the settling of the Bill of Exceptions herein, and does hereby consent that without any further notice, the Honorable C. C. McCulloh may sign and settle said Bill of Exceptions.

KELLAHIN & FOX

By s/ Jason W. Kellahin
Jason W. Kellahin
Attorneys for Consolidated Oil & Gas, Inc.

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 24 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO COUNTY OF SAN JUAN IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

No.11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

WAIVER OF NOTICE

Comes now the attorney for the Petitioners in the above entitled cause and waives notice of the time and place of the settling of the Bill of Exceptions herein, and does hereby consent that without any further notice, the Honorable C. C. McCulloh may sign and settle said Bill of Exceptions.

SETH, MONTGOMERY, FEDERICI & ANDREWS

By s/ Wm Federici
Attorneys for El Paso Natural Gas Company

DISTRICT COURT
SAN JUAN COUNTY, N. M.
FILED SEP 24 1964
Virginia A. Kittell
CLERK

STATE OF NEW MEXICO
COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs.

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

RECORDED BOOK G-2
PAGE 189

No. 11685

ORDER SETTLING BILL OF EXCEPTIONS

The Petitioners in the above entitled cause, having moved the Court that the official transcript now on file of the court reporter's shorthand notes taken by said reporter in the progress of the hearing of said cause, be settled, sealed and delivered as Petitioners' Bill of Exceptions to be used in the above entitled cause on appeal to the Supreme Court of the State of New Mexico.

IT IS THEREFORE ORDERED, that said reporter's transcript, consisting of pages numbered 148 to 178, inclusive, duly certified by the official court reporter, as aforesaid, be filed as Petitioners' Bill of Exceptions in said cause and that said transcript be and the same is hereby signed, sealed, settled and delivered by the Court and the presiding judge thereof, who was the trial judge in said cause, as Petitioners' Bill of Exceptions therein.

DONE this 24 day of September, 1964.

s/ C. C. McCulloh
DISTRICT JUDGE

STATE OF NEW MEXICO IN THE DISTRICT COURT

COUNTY OF SAN JUAN

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

CLERK'S CERTIFICATE

I, Virginia A. Kittell, Clerk of the District Court in and for the above named County do hereby certify that the above and foregoing pages 1 to 147C inclusive, constitute a full, true, correct and complete Transcript of the records in the above entitled cause.

Witness my hand and seal of said Court this 28 day of September, 1964.

Virginia A. Kittell
Clerk District Court
San Juan County

STATE OF NEW MEXICO IN THE DISTRICT COURT

COUNTY OF SAN JUAN

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, CHAIRMAN, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

CLERK'S CERTIFICATE OF COST

I, Virginia A. Kittell, Clerk of the District Court in and for the above named County do hereby certify that the costs in preparing the foregoing transcript is $139.10, which said amount has been paid by the Appellant.

I further certify that the cost of preparing the transcript of all testimony by the Court Reporter in the above entitled cause is $44.90, which said amount has been paid by the Appellant.

Witness my hand and seal of said Court this 28 day of September, 1964.

Virginia A. Kittell
Clerk District Court
San Juan County

I N D E X

STATE OF NEW MEXICO)
) IN THE DISTRICT COURT
COUNTY OF SAN JUAN)

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a coproration, MARATHON OIL COMPANY, a corporation, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, and CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

Proceedings in the above-entitled cause had before The Honorable C. C. McCulloh, District Judge of the Eleventh Judicial District, Division 1, at Aztec, New Mexico, on March 5, 1964:

APPEARANCES:

George L. Verity - Beta Production and Southwest Production Company.

Ross L. Malone - Pan American Petroleum Corporation and Marathon.

Seth, Montgomery, Federici and Andrews -
By William Federici - El Paso Natural Gas Company and Sunset International.

Ben Howell)
Garrett Whitworth) El Paso Natural Gas Company

J. M. Durrett, Jr. - Oil Conservation Commission

Jason Kellahin - Consolidated Oil and Gas, Inc.

E. P. Stockmar - Consolidated Oil & Gas, Inc.

Booker Kelly - Texaco, Inc., and Sunray DX

John B. Tittmann, Amicus Curae

- - -

BY MR. DURRETT: Transcript tendered to the Court by James M. Durrett, Jr., Cause No. 2504 before the Oil Conservation Commission, certified by Mr. A. L. Porter, Secretary Director of New Mexico Oil Conservation Commission, copies of certification have been served to opposing counsel.

Copy of each transcript of every hearing before the Commission on this case is tendered. I wish to state to the Court in connection with this record we are tendering to the Court at this time the entire record of proceedings before the Oil Conservation Commission, we did not have a formal request for specific portions of the record, although we were contacted informally and asked to certify the record, and in that connection we certified the entire record.

COURT: Any objection?

MR. MALONE: I understand Mr. Durrett is now offering that in evidence in this case?

MR. DURRETT: Yes, we offer it to the Court as an offical record before the Commission.

MR. MALONE: On behalf of the Petitioners, as we understand the Statute relating to review of proceedings, the transcript is admitted subject to objection by either party as to portions of it. The Petitioners object to the portion of the record offered by the Commission which is composed of Consolidated Exhibits 1 through 9, inclusive, offered in the rehearing; for the reasons stated in the transcript at the time objection was made to the admission of those Exhibits, and for the following additional reasons:

First; That the Exhibits are incompetent for the purposes for which offered and used. Second; For the reason that insufficient predicate was laid for the introduction of the Exhibits, and the basic Exhibit upon which subsequent Exhibits were predicated. Third; For the reason that the Exhibits constitute hearsay, or are based on hearsay, and for that reason inadmissible. Fourth; For the reason that the material on which the Exhibits were predicated, and which was incorporated in them has not been properly substantiated.

If it please the Court, just as a suggestion, those objections and defects of the testimony really I think will be involved in the argument of the case as a whole and I would suggest as a possible means of proceeding if the Court would reserve his ruling on the question of the admissibility until after the entire argument has been heard, and we will be prepared to discuss the problems raised.

MR. KELLAHIN: Yes, I agree with Mr. Malone's request a ruling be withheld. Exhibits 1 through 9 have been objected to and the record shows 1 and 2 were not objected to.

MR. MALONE: I intended to state, and I believe I stated that they were objected to. At this time, for the reasons in the transcript and for additional reasons - and if there are no objections - the additional objections will go to those Exhibits. I should have added, we of course also object to all testimony predicated upon those Exhibits, because if those Exhibits should be ruled out testimony of necessity will follow.

MR. DURRETT: Your Honor, the Oil Conservation Commission would urge the Court to withhold any ruling on these objections until the argument is completed, and in connection with this we certainly feel all the evidence in the record is proper to be considered by the Court, all proceedings before the Oil Conservation Commission, and it may be alleged here today some of that testimony is incompetent and hearsay, and if so the Commission did not so find and did not consider it, and we submit the Court is permitted to arrive at that conclusion.

COURT: Very well, the Court will reserve a ruling on this until after the argument.

(ARGUMENT OF COUNSEL)

COURT: The transcripts and Exhibits which were offered are admitted in evidence and the Court finds the issues in favor of Respondents on the basis that the Order is supported by substantial evidence and the findings are sufficient to support the Order. I am holding with you on all the consolidated defenses - I say all of them - - most of them.

STATE OF NEW MEXICO, COUNTY OF SAN JUAN, IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a Corporation, et al,

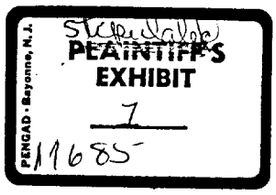
Petitioners,

vs

No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, et al,

Respondents.



STIPULATION

It is stipulated and agreed between undersigned counsel for the parties to this action that on July 3, 1963 two members of the New Mexico Oil Conservation Commission met and signed an original and one copy of Oil Conservation Commission Order No. R-2259-B; that said original order was forwarded to the printer for reproduction; upon the return of the original order from the printer, both the original and the copy of said order were signed by the third member of the Commission; the signed copy of said order No.R-2259-B, upon being signed by the third member of the Commission, was placed in the file of Case No. 2504; the original order was then placed in full, as required by Sec. 65-3-6, N.M.S.A., 1953 Compl., in a book kept in the Commission office for such purpose, this action being taken at the direction of A. L. Porter,Jr., Secretary-Director of the Commission, and said A. L. Porter, Jr., thereupon endorsed on the order placed in said book the following:

"Entered July 9, 1963
A. L. P."

upon the first page of such original order.

It is further stipulated and agreed that a copy of said order No.R-2259-B was mailed by the Commission to the Supreme Court Law Library and to all interested parties on July 9, 1963, and that no notice of said order was given to any party prior to said date, nor did any party have actual knowledge of said order prior to July 9, 1963.

SETH, MONTGOMERY, FEDERICI & ANDREWS

By _____
Attorneys for El Paso Natural Gas Company and Sunset International Petroleum Corporation

ATWOOD & MALONE

By _____
Attorneys for Marathom Oil Company
and Pan American Petroleum Company

VERITY, BURR, COOLEY & JONES

By _____
Attorneys for Beta Development
Company

_____
James M. Durrett, Jr.
Special Assistant Attorney General
representing the New Mexico Oil
Conservation Commission

KELLAHIN & FOX

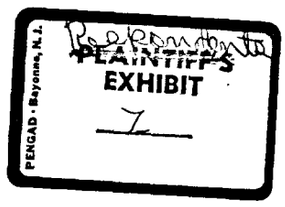
By _____
Attorneys for Consolidated Oil &
Gas, Inc.

GILBERT, WHITE & GILBERT

By _____
Attorneys for Texaco, Inc., and
Sunray DX Oil Company

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. AG-N-18.

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

MARCH 3, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 3rd day of March, 1964.

Notary Public

My Commission Expires:

September 22, 1965

Effective December 20
C L P

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. AG-N-18

GAS PRORATION ORDER FOR PERIOD FEBRUARY 1, 1964
THROUGH JULY 31, 1964

The Commission held public hearing at Santa Fe New Mexico, on December 18, 1963, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for the six-month period, February 1, 1964 through July 31, 1964.

Blanco-Mesaverde, Basin-Dakota, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, South Blanco-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, Tapacito-Pictured Cliffs, West Kutz-Pictured Cliffs, and Devils Fork-Gallup.

NOW, on this 23rd day of December, 1963, the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) That the total nomination of purchasers of gas produced from the above-listed nine gas pools for the period February 1, 1964, through July 31, 1964, is 164,955,350 MCF. The individual pool nominations, which total 164,955,350 MCF, are as follows:

Blanco-Mesaverde	64,441,300 MCF
Basin-Dakota	64,413,850 MCF
Aztec-Pictured Cliffs	4,171,300 MCF
Ballard-Pictured Cliffs	4,534,600 MCF
South Blanco-Pictured Cliffs	17,162,300 MCF
Fulcher Kutz-Pictured Cliffs	1,969,400 MCF
Tapacito-Pictured Cliffs	4,932,000 MCF
West Kutz-Pictured Cliffs	1,826,500 MCF
Devils Fork-Gallup	1,504,100 MCF

(2) That the potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed nine gas pools should be limited, allocated and distributed during the six-month proration period commencing February 1, 1964.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 164,955,350 MCF without causing waste within the six-month proration period commencing February 1, 1964, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the six-month proration period commencing February 1, 1964, the total allowable production to be assigned the nine allocated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, be and the same hereby is as follows:

Blanco-Mesaverde	64,441,300 MCF
Basin-Dakota	64,413,850 MCF
Aztec-Pictured Cliffs	4,171,300 MCF
Ballard-Pictured Cliffs	4,534,600 MCF
South Blanco-Pictured Cliffs	17,162,300 MCF
Fulcher Kutz-Pictured Cliffs	1,969,400 MCF
Tapacito-Pictured Cliffs	4,932,000 MCF
West Kutz-Pictured Cliffs	1,826,500 MCF
Devils Fork-Gallup	1,504,100 MCF

(2) That the allocation hereby set for said six-month proration period in the nine allocated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, shall be in accordance with the Commission Rules and Regulations, and Orders.

(3) That the total allowable production for each pool as set forth shall be allocated on a monthly basis in accordance with Schedule "A" attached hereto and said schedule shall be adjusted monthly to meet changes in market conditions as reflected by purchasers' supplemental nominations and actual gas production, in accordance with the Commission Rules and Regulations, and Orders.

The foregoing order shall remain effective until further order of the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

km/

ORDER NO. AG-N-18

SCHEDULE "A"

	FEBRUARY 1964	MARCH 1964	APRIL 1964	MAY 1964	JUNE 1964	JULY 1964	TOTAL
Blanco-Mesaverde	13,193,700	13,748,900	10,441,100	10,203,700	8,923,600	7,930,300	64,441,300
Basin-Dakota	13,473,600	13,545,000	10,464,450	9,917,000	8,936,700	8,077,100	64,413,850
Aztec-Pictured Cliffs	850,900	823,900	658,000	639,300	612,400	586,800	4,171,300
Ballard-Pictured Cliffs	928,700	895,700	716,000	693,200	663,900	637,100	4,534,600
South Blanco-Pictured Cliffs	3,444,800	3,373,900	2,719,500	2,670,300	2,532,200	2,421,600	17,162,300
Fulcher Kutz-Pictured Cliffs	423,700	389,700	313,900	290,300	279,500	272,300	1,969,400
Tapacito-Pictured Cliffs	1,035,700	975,000	782,400	740,400	711,000	687,500	4,932,000
West Kutz-Pictured Cliffs	377,700	360,900	288,900	277,200	265,900	255,900	1,826,500
Devils Fork-Gallup	322,600	297,600	239,500	222,200	214,000	208,200	1,504,100
TOTAL	34,051,400	34,410,600	26,623,750	25,653,600	23,139,200	21,076,800	164,955,350

All figures are in MCF @ 60°F and 15.025 psia.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-2259-B.

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2504
Order No. R-2259-B

APPLICATION OF CONSOLIDATED OIL & GAS, INC.,
FOR AN AMENDMENT OF ORDER NO. R-1670-C,
CHANGING THE ALLOCATION FORMULA FOR THE
BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA
AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for rehearing at 9 o'clock a.m. on February 14, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of July, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-1670-C, entered by the Commission on November 4, 1960, established Special Rules and Regulations for the Basin-Dakota Gas Pool and adopted, by reference, Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670.

(3) That Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670, allocates production on the basis of 25 percent acreage plus 75 percent acreage times deliverability, hereinafter referred to as the 25-75 formula.

(4) That the applicant, Consolidated Oil & Gas, Inc., seeks amendment of the Special Rules and Regulations for the Basin-Dakota Gas Pool to allocate production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

(5) That the initial recoverable gas reserves in the Basin-Dakota Gas Pool, insofar as can be determined, total approximately 2.255 trillion cubic feet, of which approximately 96 billion cubic feet is attributed to marginal wells, which are permitted to produce at capacity.

(6) That the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool are as shown in Column C, Tract Reserves, of Exhibit A attached hereto and made a part hereof.

(7) That the percent of the total pool reserves attributable to each non-marginal tract in the Basin-Dakota Gas Pool is as shown in Column D, Percent of Pool Reserves, of Exhibit A.

(8) That it is impracticable to allocate production solely on the basis of the percentage of pool reserves due to the continuous fluctuation in reserve computations resulting from new completions in the pool and re-evaluation of reserves of existing wells.

(9) That the tract acreage factor for each non-marginal well in the Basin-Dakota Gas Pool is as shown in Column A of Exhibit A; that the deliverability for each non-marginal well, insofar as can be determined, is as shown in Column B of Exhibit A.

(10) That in the Basin-Dakota Gas Pool there is no direct correlation between deliverability and reserves, or acreage and reserves, and that, therefore, neither should be used as the sole criterion for distributing the total pool allowable among the tracts.

(11) That the most reasonable basis for allocating production in the Basin-Dakota Gas Pool is to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, said relationship hereinafter referred to as the tract's A/R Factor, and to select the allocation formula that will allow the maximum number of wells in the pool to produce with an ideal tract A/R Factor of 1.0, or with a tract A/R Factor of from 0.7 to 1.3, which, due to inherent variance in interpreting and computing reserves, is within a reasonable tolerance.

(12) That the percentage of deliverability and the percentage of acreage included in the allocation formula affect the percentage of the total pool allowable assigned to each non-marginal well in the pool, thereby affecting the number of wells in the pool producing with a tract A/R Factor of from 0.7 to 1.3.

(13) That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights.

(14) That, based upon the December 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined.

(15) That numerous wells in the Basin-Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as is practicable, prevent drainage between producing tracts which is not equalized by counter drainage.

(16) That an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

(17) That Order No. R-1670-C should be amended to provide an allocation formula for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, based 60 percent on acreage and 40 percent on acreage times deliverability.

(18) That, due to the time required to administer a new allocation formula for a prorated gas pool, this order should not be effective until August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C, are hereby amended by adoption of the following:

RULE 9(C): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the following manner:

1. Forty percent (40%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. Sixty percent (60%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's acreage factor bears to the total acreage factor for all non-marginal wells in the pool.

(2) That Order No. R-2259 is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

(4) That this order shall be effective August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

EXHIBIT A

ORDER NO. R-2259-B

ALLOCATION FORMULAE 25 PERCENT ACREAGE 75 PERCENT ACREAGE TIMES DELIVERABILITY

AND

60 PERCENT ACREAGE 40 PERCENT ACREAGE TIMES DELIVERABILITY

BASIN DAKOTA TRACT/POOL RESERVES AND ALLOCATION

ARRANGED IN THE ORDER OF PIPELINE AND OPERATOR

DESCRIP.				COL A	COL B	COL C	COL D	25-75 FORMULA			60-40 FORMULA		
WELL	S	T	R	AF	DAILY DELIV	TRACT RES. MMCF	PCT. POOL RES.	COL E MCF ALLOW	COL F PCT. POOL ALLOW	COL G A/R FACTOR	COL H MCF ALLOW	COL I PCT. POOL ALLOW	COL J A/R FACTOR
EL PASO NATURAL GAS PIPELINE SYSTEM													
ADOBE OIL COMPANY													
1 G	20	31N	13W	92	330	947	.043866	3874	.05622	*1.288	6332	.09175	2.09
1 G	19	27N	11W	1002	1333	37800	.175088	9477	.13755	*.799	9680	.14055	*.800
1 N	20	31N	13W	992	379	9550	.044400	4111	.05597	1.336	6448	.09362	1.313
1 N	28	31N	13W	1000	563	17335	.080336	5434	.07889	*.988	7534	.10921	1.136
1 A	5	30N	13W	1000	5566	20933	.096934	5339	.07833	*.981	7505	.10899	*1.112
1 K	22	31N	13W	1000	5882	15778	.073099	5534	.08033	*1.110	7577	.11000	*1.150
1 N	14	31N	13W	1000	438	22051	.095000	4778	.06933	*.733	7174	.10411	*1.100
1 K	11	31N	13W	998	163	23300	.106552	3267	.04741	*.444	6276	.09115	*.863
1 K	33	31N	13W	1000	375	21330	.098666	4447	.06455	*.655	6998	.10155	*1.033
1 G	21	31N	13W	1000	551	10000	.046332	5371	.07799	1.688	7491	.10877	2.355
AINSLIE PERRAULT INVESTMENT COMPANY													
1 M	20	25N	9W	1000	930	12000	.055558	7361	.10681	1.923	8552	.12411	2.232
AMERADA PETROLEUM CORPORATION													
3 N	22	32N	5W	1000	168	50087	.235619	3360	.04881	.212	6418	.09312	.405
6 E	26	32N	5W	1000	395	22597	.122029	4552	.06611	.555	7054	.10244	*.955
9 D	22	32N	5W	1000	994	23381	.111028	5471	.07941	7.200	33809	.49066	4.455
9 D	16	32N	5W	1000	417	25000	.115799	2439	.03541	3.066	17637	.25599	2.211
9 A	20	32N	5W	1000	233	15000	.069477	1474	.02140	3.088	12489	.18122	2.611
AZTEC OIL AND GAS COMPANY													
3 D	34	29N	13W	1000	458	31164	.146555	4883	.07099	.488	7230	.10499	*.722
4 D	34	29N	13W	1000	1233	33755	.156322	8942	.12988	*.833	9395	.13633	*.877
2 D	22	28N	13W	1000	2588	30944	.143330	16067	.23332	1.631	13195	.19155	1.342
BAYVIEW OIL CORPORATION													
1 M	7	27N	12W	48	186	37726	.172588	1658	.02411	.145	3105	.04511	.263
BENSON MONTIN GREER DRILLING CORPORATION													
1 A	18	27N	12W	1000	126	23022	.106622	3140	.04566	.433	6300	.09144	*.866
X 1 F	14	22N	13W	1000	1622	36622	.167766	10990	.15995	*.955	10487	.15222	*.911
1 A	34	28N	13W	1000	660	25999	.120038	5944	.08635	*.722	7796	.11311	*.944

DESCRIPTIVE WELL STATUS		BLAKE MEMORIAL	THE MARBURY	A. ALEXANDER	ALEXANDER CAULDON	COMMUNITY CONSTITUTION	COMMUNITY CONSTITUTION	CONSTITUTION	DEPARTMENT STEWART
COL A									
COL B									
COL C									
COL D									
COL E									
COL F									
COL G									
COL H									
COL I									
COL J									

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL										
1	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0
41	0	0	0	0	0	0	0	0	0	0
42	0	0	0	0	0	0	0	0	0	0
43	0	0	0	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0	0	0
46	0	0	0	0	0	0	0	0	0	0
47	0	0	0	0	0	0	0	0	0	0
48	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0	0	0	0
51	0	0	0	0	0	0	0	0	0	0
52	0	0	0	0	0	0	0	0	0	0
53	0	0	0	0	0	0	0	0	0	0
54	0	0	0	0	0	0	0	0	0	0
55	0	0	0	0	0	0	0	0	0	0
56	0	0	0	0	0	0	0	0	0	0
57	0	0	0	0	0	0	0	0	0	0
58	0	0	0	0	0	0	0	0	0	0
59	0	0	0	0	0	0	0	0	0	0
60	0	0	0	0	0	0	0	0	0	0
61	0	0	0	0	0	0	0	0	0	0
62	0	0	0	0	0	0	0	0	0	0
63	0	0	0	0	0	0	0	0	0	0
64	0	0	0	0	0	0	0	0	0	0
65	0	0	0	0	0	0	0	0	0	0
66	0	0	0	0	0	0	0	0	0	0
67	0	0	0	0	0	0	0	0	0	0
68	0	0	0	0	0	0	0	0	0	0
69	0	0	0	0	0	0	0	0	0	0
70	0	0	0	0	0	0	0	0	0	0
71	0	0	0	0	0	0	0	0	0	0
72	0	0	0	0	0	0	0	0	0	0
73	0	0	0	0	0	0	0	0	0	0
74	0	0	0	0	0	0	0	0	0	0
75	0	0	0	0	0	0	0	0	0	0
76	0	0	0	0	0	0	0	0	0	0
77	0	0	0	0	0	0	0	0	0	0
78	0	0	0	0	0	0	0	0	0	0
79	0	0	0	0	0	0	0	0	0	0
80	0	0	0	0	0	0	0	0	0	0
81	0	0	0	0	0	0	0	0	0	0
82	0	0	0	0	0	0	0	0	0	0
83	0	0	0	0	0	0	0	0	0	0
84	0	0	0	0	0	0	0	0	0	0
85	0	0	0	0	0	0	0	0	0	0
86	0	0	0	0	0	0	0	0	0	0
87	0	0	0	0	0	0	0	0	0	0
88	0	0	0	0	0	0	0	0	0	0
89	0	0	0	0	0	0	0	0	0	0
90	0	0	0	0	0	0	0	0	0	0
91	0	0	0	0	0	0	0	0	0	0
92	0	0	0	0	0	0	0	0	0	0
93	0	0	0	0	0	0	0	0	0	0
94	0	0	0	0	0	0	0	0	0	0
95	0	0	0	0	0	0	0	0	0	0
96	0	0	0	0	0	0	0	0	0	0
97	0	0	0	0	0	0	0	0	0	0

DESCRIP WELL S T R	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
2 I 8271 1	100	420	2926	.13552	4683	.0680	.50	7134	.1034*	.76
3L21271 1	100	4172	2560	.11857	24385	.3539	2.98	17631	.2559	2.16
LAKELAND PETROLEUM CORPORATION										
2A2331 1 2	100	1406	3683	.17059	9861	.1431*	.84	9885	.1434*	.84
GULF OIL CORPORATION										
8D 824 5	100	414	3788	.17544	4652	.0675	.38	7107	.1031	.59
9D1724 5	100	870	758	.03511	7046	.1023	2.91	8384	.1217	3.47
10J1824 5	100	407	2164	.10023	4615	.0670	.67	7087	.1028*	1.03
11J 824 5	100	908	1000	.04632	7246	.1051	2.27	8490	.1232	2.66
12J1724 5	100	2231	1623	.07517	14193	.2060	2.74	12195	.1770	2.35
13J 724 5	100	1286	3680	.17045	9231	.1340*	.79	9549	.1386*	.81
14D1824 5	100	596	2164	.10023	5608	.0814*	.81	7617	.1105*	1.10
15D 724 5	100	302	1299	.06016	4064	.0590*	.98	6793	.0986	1.64
1C21261 1	100	2988	3773	.17476	18168	.2636	1.51	14315	.2077*	1.19
1C20261 1	100	4023	4200	.19453	23602	.3425	1.76	17214	.2498*	1.28
1L36311 3	100	606	1262	.05845	5660	.0821	1.40	7645	.1109	1.90
W. H. HUDSON										
1A1427 1 3	100	5233	3600	.16674	29956	.4347	2.61	20602	.2990	1.79
KAY KIMBELL										
1N2229 1 1	100	1947	4645	.21514	12701	.1843*	.86	11400	.1654*	.77
1M2825 6	100	204	1123	.05202	3549	.0515*	.99	6519	.0946	1.82
2M2725 6	100	305	1604	.07429	4080	.0592*	.80	6802	.0987	1.33
1K 429 1 2	100	575	3969	.18383	5497	.0798	.43	7558	.1097	.60
1A 525 1 0	100	251	1240	.05743	3796	.0551*	.96	6650	.0965	1.68
1P2229 1 1	100	2290	2787	.12909	14503	.2105	1.63	12361	.1794	1.39
1M2025 5	100	488	2381	.11028	5040	.0731	.66	7314	.1061*	.96
1P 525 7	100	227	1082	.05011	3670	.0533*	1.06	6583	.0955	1.91
1H3425 6	100	464	4652	.21547	4914	.0713	.33	7247	.1052	.49
2O3525 6	100	1795	3208	.14858	11903	.1727*	1.16	10974	.1593*	1.07
3P2625 6	100	591	2246	.10403	5581	.0810*	.78	7603	.1103*	1.06
2M2625 6	100	546	2727	.12631	5345	.0776	.61	7477	.1085*	.86
KINGWOOD OIL COMPANY										
1C1827 1 0	100	659	1749	.08101	5938	.0862*	1.06	7793	.1131	1.40
LA PLATA GATHERING SYSTEM INC.										
1P2232 6	100	1539	2300	.10653	10559	.1532	1.44	10257	.1488	1.40
1N2332 6	100	2035	2274	.10532	13164	.1910	1.81	11646	.1690	1.60
2H2332 6	100	121	2600	.12042	3113	.0452	.38	6286	.0912*	.76
1M2432 6	100	6196	2707	.12538	35012	.5081	4.05	23299	.3381	2.70
2B2532 6	100	881	2200	.10190	7104	.1031*	1.01	8415	.1221*	1.20
2H2632 6	100	2221	2382	.11033	14140	.2052	1.86	12157	.1766	1.60
3C2632 6	100	2868	2300	.10653	17538	.2545	2.39	13979	.2029	1.90
1A2732 6	100	146	2200	.10189	3245	.0471	.46	6356	.0922*	.90
MARATHON OIL COMPANY										
2P1528 1 1	100	4159	3285	.15215	24316	.3529	2.32	17595	.2553	1.68
2 I 2328 1 1	100	8663	3407	.15781	47966	.6961	4.41	30208	.4384	2.78
2E2628 1 1	100	9003	3500	.16211	49752	.7220	4.45	31160	.4522	2.79
3P2628 1 1	100	4669	4100	.18989	26994	.3917	2.06	19033	.2760	1.45
MONSANTO CHEMICAL COMPANY										
1D1626 1 1	100	765	2935	.13594	6495	.0943	.69	8090	.1174*	.86
1A1930 1 3	100	274	3140	.14544	3917	.0568	.39	6715	.0974	.67

DESCRIPTION	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
DOLLAR	0	1	2	3	4	5	6	7	8	9
DOLLAR-CENTS	0	1	2	3	4	5	6	7	8	9
TEXAS	0	1	2	3	4	5	6	7	8	9
TEXAS-INTER	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE-FOUR	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE-FOUR-FIVE	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE-FOUR-FIVE-SIX	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE-FOUR-FIVE-SIX-SEVEN	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE-FOUR-FIVE-SIX-SEVEN-EIGHT	0	1	2	3	4	5	6	7	8	9
TEXAS-STATE-INTER-OCEAN-WEST-AMERICA-CANADA-PETROLEUM-COMPANY-CORPORATION-INTERNATIONAL-SYSTEM-ONE-TWO-THREE-FOUR-FIVE-SIX-SEVEN-EIGHT-NINE	0	1	2	3	4	5	6	7	8	9

DESCRIPTION	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL STATUS	COLUMBIA GAS TRANSMISSION CORPORATION									
PLATEAU - SOUTHERN APPALACHIAN AREA										
PAN 1-D2611	1	247	3000	.13895	3775	.0548	.39	6639	.0963	.69
AMERICAN 2-D2911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 3-D3111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 4-D3211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 5-D3311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 6-D3411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 7-D3511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 8-D3611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 9-D3711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 10-D3811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 11-D3911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 12-D4011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 13-D4111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 14-D4211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 15-D4311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 16-D4411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 17-D4511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 18-D4611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 19-D4711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 20-D4811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 21-D4911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 22-D5011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 23-D5111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 24-D5211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 25-D5311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 26-D5411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 27-D5511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 28-D5611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 29-D5711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 30-D5811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 31-D5911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 32-D6011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 33-D6111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 34-D6211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 35-D6311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 36-D6411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 37-D6511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 38-D6611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 39-D6711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 40-D6811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 41-D6911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 42-D7011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 43-D7111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 44-D7211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 45-D7311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 46-D7411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 47-D7511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 48-D7611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 49-D7711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 50-D7811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 51-D7911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 52-D8011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 53-D8111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 54-D8211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 55-D8311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 56-D8411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 57-D8511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 58-D8611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 59-D8711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 60-D8811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 61-D8911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 62-D9011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 63-D9111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 64-D9211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 65-D9311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 66-D9411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 67-D9511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 68-D9611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 69-D9711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 70-D9811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 71-D9911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 72-E0011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 73-E0111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 74-E0211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 75-E0311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 76-E0411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 77-E0511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 78-E0611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 79-E0711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 80-E0811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 81-E0911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 82-E1011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 83-E1111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 84-E1211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 85-E1311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 86-E1411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 87-E1511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 88-E1611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 89-E1711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 90-E1811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 91-E1911	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 92-E2011	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 93-E2111	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 94-E2211	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 95-E2311	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 96-E2411	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 97-E2511	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 98-E2611	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 99-E2711	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94
CRUDE 100-E2811	1	247	3000	.13895	3775	.0548	.04	6639	.0963	.94

DESCRIP WELL S T R	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
1A272810	100	2332	5141	.23811	14723	.2137*	.90	12478	.1811*	.76
1A152710	100	629	6776	.31385	5781	.0839	.27	7709	.1119	.36
1F242610	50	235	4995	.23135	1856	.0269	.12	3303	.0479	.21
1H203013	100	115	1369	.06341	3082	.0447*	.70	6269	.0910	1.44
A 1D102710	100	570	1841	.08527	5471	.0794*	.93	7544	.1095*	1.26
5B362811	100	924	3407	.15780	7330	.1064	.67	8535	.1239*	.79
6M362811	100	1596	4000	.18526	10858	.1576*	.85	10417	.1512*	.82
7H352811	100	3109	4502	.20852	18803	.2729	1.31	14654	.2127*	1.02
9N352811	100	1741	3285	.15215	11620	.1686*	1.11	10823	.1571*	1.03
10E 127111	100	1132	3780	.17508	8422	.1222*	.70	9118	.1323*	.76
11M122711	100	495	1829	.08472	5077	.0737*	.87	7334	.1064*	1.26
12G122711	100	935	1463	.06776	7388	.1072	1.58	8566	.1243	1.83
R AND G DRILLING COMPANY										
61A 63013	100	1732	1100	.05095	11573	.1679	3.30	10798	.1567	3.08
62A183013	100	2969	2700	.12505	18068	.2622	2.10	14262	.2070	1.66
63A 73013	100	722	1500	.06948	6269	.0910	1.31	7969	.1156	1.66
64M 53013	100	1517	1600	.07410	10444	.1516	2.05	10196	.1480	2.00
65K 83013	100	783	1800	.08337	6589	.0956*	1.15	8140	.1181	1.42
66L173013	100	2285	3100	.14359	14476	.2101	1.46	12347	.1792*	1.25
REDFERN DEVELOPMENT CORPORATION										
1J1824 6	100	96	3000	.13895	2982	.0433	.31	6216	.0902	.65
VAL R. REESE AND ASSOCIATES INCORPORATED										
1C1924 6	100	543	2600	.12042	5329	.0773	.64	7459	.1084*	.90
PAUL F. RUTLEDGE										
1A1324 7	100	824	1683	.07795	6805	.0987*	1.27	8255	.1198	1.54
5N1224 7	100	987	2693	.12473	7661	.1112*	.89	8712	.1264*	1.01
SOUTHERN UNION PRODUCTION COMPANY										
21P122811	100	2633	2920	.13525	16304	.2366	1.75	13321	.1933	1.43
20A242811	100	7969	5475	.25358	44322	.6432	2.54	28264	.4102	1.62
1A152811	100	2299	3500	.16211	14550	.2111*	1.30	12386	.1797*	1.11
1M183012	100	400	1543	.07170	4578	.0664*	.93	7068	.1026	1.43
1J312911	100	4599	2787	.12909	26627	.3864	2.99	18827	.2732	2.12
1M153013	100	194	1449	.06711	3497	.0507*	.76	6491	.0942	1.40
2L343013	100	319	4750	.22001	4153	.0603	.27	6841	.0993	.45
3B343013	100	425	3100	.14359	4710	.0683	.48	7138	.1036*	.72
1M203112	100	1006	2688	.12450	7760	.1126*	.90	8765	.1272*	1.02
2A342910	100	2917	3300	.15284	17795	.2582	1.69	14116	.2048	1.34
1A 13013	100	558	886	.04104	5408	.0785	1.91	7510	.1090	2.66
1K312910	100	901	2300	.10653	7209	.1046*	.98	8471	.1229*	1.15
2G312910	100	1730	1900	.08800	11562	.1678	1.91	10792	.1566	1.78
2M313112	100	825	1891	.08759	6810	.0988*	1.13	8258	.1198	1.37
14M102810	100	3549	5725	.26516	21113	.3064*	1.16	15886	.2305*	.87
15N332910	100	3369	4500	.20843	20168	.2927	1.40	15382	.2232*	1.07
16H332910	100	3687	4500	.20842	21838	.3169	1.52	16273	.2361*	1.13
17M352910	100	2400	4000	.18527	15080	.2188*	1.18	12669	.1838*	.99
18M112810	102	1600	5700	.26401	11097	.1610	.61	10637	.1544	.58
19N122810	100	2578	3500	.16211	16015	.2324	1.43	13167	.1911*	1.18
SOUTHWEST PRODUCTION COMPANY										
1I132712	100	244	2000	.09263	3759	.0546	.59	6631	.0962*	1.04
1L342910	100	2348	5064	.23455	14807	.2149*	.92	12523	.1817*	.77
SUNRAY DX OIL COMPANY										
1M2123 5	100	320	700	.03242	4158	.0603	1.86	6844	.0993	3.06

PAGE 14

REPORTER'S CERTIFICATE

I, Vastie Fowler, Official Court Reporter of the Eleventh Judicial District Court, Division 1, hereby certify that I took the foregoing notes regarding offer of Exhibits and objections thereto, and have transcribed same into typewritten material, and have prepared copies of all Exhibits offered and admitted into evidence at the time of hearing of the above-entitled cause on March 5, 1964, consisting of pages 148 to 178 inclusive, and that this is the extent of my record in this cause.

I further certify that the charge for this record is $44.90, which amount has been paid by Appellants.

Vastie Fowler

Vastie Fowler
Official Court Reporter
Aztec, New Mexico

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL & GAS, INC., a corporation,

Respondents.

TRIAL BRIEF OF RESPONDENTS

OIL CONSERVATION COMMISSION, TEXACO INC., AND SUNRAY DX OIL COMPANY

J. M. Durrett, Jr.
Special Assistant
Attorney General
Santa Fe, New Mexico

Attorney for Respondent, Oil Conservation Commission

Gilbert, White & Gilbert
Santa Fe, New Mexico

Attorneys for Texaco Inc., and Sunray DX Oil Company

INDEX

TABLE OF AUTHORITIES

CASES

STATUTES

TREATISES

STATEMENT OF THE CASE

On February 23, 1962, Consolidated Oil & Gas, Inc., filed an application with the New Mexico Oil Conservation Commission seeking the establishment of a gas allocation formula for the Basin-Dakota Gas Pool based 60 percent on acreage and 40 percent on acreage times deliverability. The Commission docketed the case to be heard on March 14, 1962. At the March 14 hearing appearances were entered, preliminary statements were made, and the case was continued to April 18, 1962. (Mar. Tr.)* On April 18 additional appearances were entered, the Commission heard opening statements, heard testimony and received evidence in favor of and in opposition to the application, and heard closing argument of counsel. (Apr. Tr.) On June 7, 1962, the Commission issued Order No. R-2259 which denied the application. Consolidated Oil & Gas, Inc., filed a Petition for Rehearing on June 27, 1962, and on July 7, 1962, the Commission issued Order No. R-2259-A which granted a rehearing limiting the scope of the rehearing to matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool. On August 15, 1962, the rehearing was continued to September 13, 1962. (Aug. Tr.) On September 13 the Commission heard argument on objections to granting of the order for rehearing and on a motion to vacate, and denied the objections and the motion. (Sept. Tr. 1-29). The Commission also heard argument on motions to quash subpoenas duces tecum that had been issued by the Commission and continued the case to the regular November hearing. (Sept. Tr. 29-74). On October 18, 1962, the Commission issued a Ruling On Motions To Quash Subpoenas Duces Tecum. The ruling ordered subpoenaed persons, subject to a determination of custody

*Reference will be made to the transcript of proceedings before the Commission by month of the hearing.

and control, to produce all core analysis reports and all electric and radioactivity logs concerning any and all wells that had been cored in the Basin-Dakota Gas Pool by their respective companies. At the hearing on November 14, 1962, it was stipulated that the Commission's Ruling on Motions to Quash Subpoenas Duces Tecum would be complied with and the case was continued to December 19, 1962. (Nov. Tr.) On December 19 the case was continued to February 14, 1963. (Dec. Tr.) On February 14, 1963, appearances were entered, counsel presented opening statements, the Commission heard testimony and received evidence in support of and in opposition to the application, and counsel presented closing argument. (Feb. Tr.) On July 3, 1963, the Commission issued Order No. R-2259-B, which superseded Order No. R-2259, and established an allocation formula for the Basin-Dakota Gas Pool based 60 percent on acreage and 40 percent on acreage times deliverability. Applications for Rehearing were filed by the Petitioners in this case and on August 1, 1963, the Commission issued Order No. R-2259-C which denied the Applications for Rehearing. Petitions for Review were filed with this Court by El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Southwest Production Company, and Sunset International Petroleum Corporation.

STATEMENT OF THE FACTS

On November 4, 1960, the New Mexico Oil Conservation Commission issued Order No. R-1670-C. This order established Special Rules and Regulations for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, and adopted, by reference, Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico as set forth in Order No. R-1670. Rule 9(C) of Order No. R-1670 allocates gas production from prorated gas pools in Northwest New Mexico on

the basis of 25 percent acreage plus 75 percent acreage times deliverability. Until August 1, 1963, the effective date of Order No. R-2259-B, the allocation of the allowable production of gas from the Basin-Dakota Gas Pool was determined by a formula of 25 percent acreage plus 75 percent acreage times deliverability. Since the effective date of Order No. R-2259-B, the allocation of allowable gas production in the Basin-Dakota Gas Pool has been determined by a formula of 60 percent acreage plus 40 percent acreage times deliverability. The validity of Order No. R-2259-B is the subject matter of this appeal.

Order No. R-2259-B granted an application by Consolidated Oil & Gas, Inc., which sought the establishment of an allocation formula for the Basin-Dakota Gas Pool based 60 percent on acreage and 40 percent on acreage times deliverability. Consolidated's application was filed with the Commission on February 23, 1962, and docketed by the Commission as Case No. 2504 to be heard on March 14, 1962. The case was continued to April 18, 1962, and heard by the Commission on that date. (Apr. Tr.) On June 7, 1962, the Commission issued Order No. R-2259 which found that the evidence presented at the hearing of the case concerning recoverable gas reserves in the pool was insufficient to justify any change in the allocation formula and denied the application, retaining jurisdiction for the entry of such further orders as the Commission might deem necessary. On June 27, 1962, Consolidated Oil & Gas, Inc., filed a Petition for Rehearing, and on July 7, 1962, the Commission issued Order No. R-2259-A which found that a rehearing should be granted and that the scope of the rehearing should be limited to matters concerning recoverable gas reserves in the pool. Order No. R-2259-A granted a rehearing, set the same for August 15, 1962, and limited the scope of the rehearing to matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool. The rehearing was subsequently continued

to February 14, 1963. On February 14, 1963, the Commission re-heard Case No. 2504. (Feb. Tr.) On July 3, 1963, the Commission issued Order No. R-2259-B. By Order No. R-2259-B, the Commission superseded Order No. R-2259, which had denied Consolidated's application, and amended the Special Rules and Regulations for the Basin-Dakota Gas Pool as promulgated by Order No. R-1670-C. The new formula allocated the allowable assigned to non-marginal wells in the following manner:

1. Forty percent in the proportion that each well's acreage times deliverability factor bears to the total of the acreage times deliverability factors for all non-marginal wells in the pool.

2. Sixty percent in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

In Order No. R-2259-B, the Commission determined, in million cubic feet, the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool. (Finding No. 6). The Commission also determined the total initial recoverable gas reserves in the Basin-Dakota Gas Pool and the amount which was attributed to marginal wells which were permitted to produce at capacity. (Finding No. 5). The percent of total pool reserves attributable to each non-marginal tract in the pool was then determined. (Finding No. 7). The Commission found that it was not practicable to allocate production solely on the basis of each well's percentage of pool reserves because of the continuous fluctuation in reserve computations resulting from new completions in the pool and the re-evaluation of reserves attributed to existing wells. (Finding No. 8). A tract acreage factor for each non-marginal well in the pool and the deliverability for each non-marginal well was determined. (Finding No. 9). The Commission concluded that neither acreage nor deliverability should be used as the sole criterion for allocating production as it found that there was no direct correlation between deliverability and reserves, or acreage and reserves. (Finding No. 10). The

Commission concluded that the most reasonable basis for allocating production in the Basin-Dakota Gas Pool was to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, and to select the allocation formula that would allow the maximum number of wells in the pool to produce with an ideal ratio of 1.0, or with a ratio of from 0.7 to 1.3, which the Commission found was reasonable due to inherent variance in interpreting and computing reserves. (Finding No. 11). The Commission determined that the number of wells in the pool producing with a desired ratio was affected by the percentage of deliverability and the percentage of acreage included in the formula. (Finding No. 12). The Commission also determined that correlative rights were not being adequately protected under the formula then in effect and concluded that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste would result unless the Commission acted to protect correlative rights. (Finding No. 13). The Commission identified each non-marginal well producing with the desired ratio under each formula by an asterisk in Columns G and J of Exhibit A of Order No. R-2259-B. The Commission then found that a comparison of the total number of wells producing with the desired ratio under each formula and the total volume of gas allocated to the wells producing with the desired ratio under each formula established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability would more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool. (Finding No. 14). The Commission found that numerous wells in the pool were capable of draining more than their just and equitable share of the gas and concluded that the proposed formula would prevent drainage between producing tracts which was not equalized by counter

drainage. (Finding No. 15). The Commission also concluded that the proposed formula would afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy (Finding No. 16) and that Order No. R-1670-C should be amended to provide an allocation formula based 60 percent on acreage and 40 percent on acreage times deliverability. (Finding No. 17).

Following the issuance of Order No. R-2259-B, the Petitioners in this case filed Applications for Rehearing in Case No. 2504. On August 1, 1963, the Commission issued Order No. R-2259-C which found that the Applications for Rehearing did not allege that the applicants for rehearing had new or additional evidence to present, that the Commission had carefully considered the evidence presented in the case and was fully advised in the premises, and that Order No. R-2259-B was proper in all respects. Order No. R-2259-C denied the Applications for Rehearing and this appeal followed.

ARGUMENT AND AUTHORITIES

POINT I

THE ORDER IS PRIMA FACIE VALID AND THE PETITIONERS HAVE THE BURDEN OF ESTABLISHING THAT THE ACTION OF THE COMMISSION WAS FRAUDULENT, ARBITRARY OR CAPRICIOUS, THAT THE ORDER WAS NOT SUPPORTED BY SUBSTANTIAL EVIDENCE, OR THAT THE COMMISSION DID NOT ACT WITHIN THE SCOPE OF ITS AUTHORITY.

The Court's attention is called to Section 65-3-22, NMSA, 1953 Comp., which provides that, on appeal, "The commission action complained of shall be prima facie valid and the burden shall be upon the party or parties seeking review to establish the invalidity of such action of the Commission." The Legislature has specifically delegated to the Commission the duty of prorating

or distributing the allowable production from prorated gas pools upon a reasonable basis and recognizing correlative rights. Section 65-3-13(c), NMSA, 1953 Comp. The Commission purported to follow the legislative mandate by the issuance of Order No. R-2259-B. As the Court cannot substitute its discretion for that of the Commission, the presumption of the validity of the Commission's order prevails and cannot be overcome unless Petitioners clearly show that the Commission acted fraudulently, arbitrarily or capriciously, that the order was not supported by substantial evidence, or that the Commission did not act within the scope of its authority. Johnson v. Sanchez, 67 N.M. 41, 351 P.2d 449 (1960); Continental Oil Company et al. v. Oil Conservation Commission et al., 70 N.M. 310, 373 P.2d 809 (1962). Petitioners have alleged that Orders No. R-2259-B and No. 2259-C are erroneous in many respects. We submit that these orders are not erroneous and that a mere showing that the orders were erroneous would not overcome the presumption of the validity of the orders. In order to set the Commission's action aside, the Petitioners must clearly show that the action of the Commission was fraudulent, arbitrary or capricious, that the order was not supported by substantial evidence, or that the Commission did not act within the scope of its authority. Plummer v. Johnson and Continental Oil Company et al. v. Oil Conservation Commission et al., supra.

POINT II

THE LACK OF A SPECIFIC FINDING THAT WASTE IS OCCURRING UNDER AN EXISTING GAS ALLOCATION FORMULA DOES NOT INVALIDATE AN ORDER ESTABLISHING A NEW FORMULA; IN THE ALTERNATIVE, THE ORDER CONTAINS FINDINGS THAT WASTE WAS OCCURRING UNDER THE PRIOR GAS ALLOCATION FORMULA.

In considering the Petitioners' allegation that the order

is unreasonable and unlawful because it does not contain a finding that waste was occurring under the original formula, the Court should note Ferguson-Steere Motor Company v. State Corporation Commission, 60 N.M. 114, 117, 288 P.2d 440, wherein the Court said:

> "If findings, or more adequate findings, by the administrative board or commission be desired, a duty rests on the party complaining of their absence to have made a request for them."

It is pointed out that the Petitioners did not submit such a finding and that they did not tender any requested findings to the Commission at any stage of the proceedings.

The legislative mandate concerning allocation of allowable gas production is set out in Section 65-3-13(c), NMSA, 1953 Comp., wherein the Commission is directed to "allocate the allowable production among the gas wells in the pool delivering to a gas transportation facility upon a reasonable basis and recognizing correlative rights." There is no legislative mandate that the Commission make a specific finding that waste is occurring in order to issue a valid order allocating production. In this connection it should be noted that the New Mexico Supreme Court has stated that it is not necessary for the Commission to make formal and elaborate findings. Continental Oil Company et al. v. Oil Conservation Commission et al., supra.

If a finding that waste is occurring under an existing gas allocation formula is necessary to issue a valid order establishing a new formula, it is submitted that the order did contain such a finding. Finding No. 13 of Order No. R-2259-B reads as follows:

> "That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights."

In commenting on the Commission's duty to protect correlative rights, the New Mexico Supreme Court has said:

> "The prevention of waste is of paramount interest, and protection of correlative rights is interrelated and inseparable from it. The very definition of 'correlative rights' emphasizes the term 'without waste.' However, the protection of correlative rights is a necessary adjunct to the prevention of waste. Waste will result unless the commission can also act to protect correlative rights."

As the Commission concluded that waste would result unless the Commission acted to protect correlative rights, it necessarily follows that waste was occurring under the existing gas allocation formula.

In Finding No. 14 the Commission concluded that the proposed formula would more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool. It also is obvious from this finding that if waste was to be prevented, waste was occurring under the existing formula.

Respondents submit that although Findings No. 13 and No. 14 may not be formal and elaborate findings they are sufficient findings that waste was occurring under the ruling in the Continental case, supra.

In any event it should be pointed out that Order No. R-2259-B merely amends Order No. R-1670-C by the addition of a paragraph providing for the application of a new proration formula based on 60 percent acreage plus 40 percent deliverability. In all other respects Order No. R-1670-C remains in full force and effect. It also contains all necessary findings concerning the prevention of waste. In Finding No. 3 of Order No. R-1670-C, the Commission stated:

> "That the producing capacity of the wells in the Dakota Producing Interval is in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area encompassed by the Dakota Producing Interval, commencing February 1, 1961."

This finding, predicated on Section 65-3-3(e), NMSA,

1953 Comp., is all the finding needed to authorize the action of the Commission, and constitute a statutory, jurisdictional finding on the part of the Commission. It has not been abrogated or rescinded.

POINT III

THE LACK OF A SPECIFIC FINDING THAT A CHANGE OF CONDITION HAS OCCURRED DOES NOT INVALIDATE AN ORDER CHANGING A GAS ALLOCATION FORMULA; IN THE ALTERNATIVE, THE ORDER CONTAINS FINDINGS THAT A CHANGE OF CONDITION HAD OCCURRED REQUIRING A CHANGE IN THE FORMULA.

The finality of a Commission order must be considered in determining whether or not a finding that a change of conditions had occurred was necessary in order to issue a valid proration order. The legislative function of the Commission must be considered in determining the finality of a Commission order. In discussing the legislative character of a conservation order, Williams, in Nature and Effect of Conservation Orders, Eighth Annual Rocky Mountain Mineral Law Institute, 433, 439, states:

> "The legislature, acting through the regulatory agency, has assumed the continuing responsibility to prevent waste or protect correlative rights. The regulatory agency, therefore, cannot by a so-called final order today preclude itself from modifying or setting such order aside next week, or at any time in the future, if, for any reason, it finds at such future time that the order should be set aside or modified to prevent waste or protect correlative rights. Just as a regulatory agency, while acting to prevent waste or to protect correlative rights, can disturb and change rights which were fixed and vested at the time the original conservation order was entered, it can likewise later disturb and change rights established by the original order if such change is necessary to accomplish the same objective."

The necessity of a showing of a change in conditions has been raised in several cases concerning the validity of conservation orders. The question was raised in Delaney et al. v. Osborn,

265 P.2d 481, 484, (Okla. 1953), which attacked the validity of a Commission order amending an order establishing a gas-oil ratio in a pool. In affirming the action of the Commission, the Court stated:

> "We find no merit in respondents' contention that the commission was without authority to modify its previous order. This contention is based upon a fallacious conception that where the commission has once acted it is impotent to act again."

In re Application of Peppers Refining Company, 272 P.2d 416, 424, (Okla. 1954), reversed a Commission order which had denied an application for exceptions to a spacing order. The Commission based its denial upon a finding that the evidence introduced by the applicant was insufficient to indicate any substantial change in the facts considered by the Commission in the granting of the original spacing orders. The Court said:

> "To hold that the commission could never modify a well spacing pattern established by a previous order not appealed from, upon a showing of characteristics about a common source of supply, and the withdrawls therefrom, that were not known or anticipated at the time of the original order, would 'tie the hands' of the commission and often prevent it from performing its statutory duties under our Oil and Gas Conservation Act."

It should be noted, in connection with this case, that if a showing of change in conditions was required, the Court held that changed conditions include a change in knowledge of conditions as they actually existed at the time of the prior order. Although Respondents submit that no change in conditions is necessary to issue a valid order reallocating gas production, if the Court should determine that such a showing is necessary, the Commission's findings and the evidence to support the same certainly establish that there was a change in knowledge of conditions as they actually existed at the time of the prior order.

The question of the necessity of a change in conditions was also raised in Southern Oklahoma Royalty Owners Association v. Stanolind Oil & Gas Company et al., 266 P.2d 633, 637,

(Okla. 1954), another case concerning exceptions to spacing rules, wherein the Court stated:

> "No change of conditions need be shown. The problem could not be decided before it arose; it was only after drilling the wells that the information was obtained upon which the applications are based. It was contemplated by the Legislature in providing for exceptions to be made upon application, notice, and hearing that problems would arise from time to time in the development of a field which would require amendment or readjustment of the original spacing and drilling unit order."

In Sinclair Oil & Gas Company v. Corporation Commission, 378 P.2d 847, 854, (Okla 1963), a recent case involving the validity of a gas allocation order, the Court said:

> "We know of no sound reason why the Commission should any more be prevented from changing a common source of supply (in an orderly and legally prescribed manner) from one allowable formula to another (which in the light of changing conditions and more and better knowledge about the reservoir will more likely fulfill the objects of waste prevention and protection of correlative rights) than it is prevented from changing well-spacing sizes and/or patterns, or well-spaced areas, in the light of new knowledge accumulated by the progressive development of such reservoirs."

The rule in Texas is well established. In Railroad Commission et al. v. Humble Oil & Refining Company et al, 193 S.W.2d 824, 828, (Tex 1946), the Court stated:

> "The commission's power to regulate oil production in the interest both of conservation and of protecting correlative rights is a continuing one and its proration orders are subject to change, modification or amendment at any time upon due notice and hearing, either upon the commission's own motion or upon application of an interested party. This principal is now so well established as to require no citation of authority."

Also see Railroad Commission et al. v. Phillips et al., 364 S.W.2d 408, (Tex. 1963), and Railroad Commission et al. v. Aluminum Company, 368 S.W.2d 818, (Tex. 1963).

Williams, in Nature and Effect of Conservation Orders, supra at 444, makes the following statement:

> "To say that an agency having made an order is powerless to change or set it aside, however erroneous or ill-advised it may have been, is to deny the continuing authority and responsibility of the agency to prevent waste or to protect correlative rights."

The Court's attention is also called to the prospective nature of a Commission order and specifically the order in question. The Commission's powers are legislative in nature and derived solely from the authority conferred by the Legislature. Continental Oil Company et al. v. Oil Conservation Commission et al., supra. Just as no one would contend that the Legislature could not change or appeal its legislative enactments at any time for any reason, the same must, of necessity, be true of a regulatory agency acting under delegated legislative authority. Williams, in Nature and Effect of Conservation Orders, supra.

Although Respondents strongly urge that the weight of authority supports the proposition that a specific finding concerning a change of conditions is not necessary to issue a valid order establishing a new gas allocation formula, it is submitted that the order in question contains sufficient findings to establish that a change of conditions had occurred.

Finding No. 8 indicates that there have been new completions in the pool causing fluctuation in reserve computations and that the reserves of existing wells have been re-evaluated. It is submitted that this constitutes a change in knowledge of underground conditions which would be sufficient to meet a requirement concerning a change in conditions. In Re Application of Peppers Refining Company, supra and Sinclair Oil & Gas Company v. Corporation Commission, supra.

In Finding No. 13, the Commission determined that under the 25-75 formula correlative rights were not being adequately protected and concluded that waste would result unless the Commission acted to protect correlative rights. As it must be assumed

that the original formula protected correlative rights and prevented waste at the time it was adopted by the Commission, it necessarily follows that conditions had changed if the original formula was not adequately protecting correlative rights and preventing waste. A reading of Finding No. 14 leads to the same conclusion as the Commission determined that the 60-40 formula would permit more wells to receive their just and equitable share of the gas in the pool.

In Finding No. 15, the Commission determined that numerous wells in the pool were capable of draining more than their just and equitable share of the gas in the pool. The only reasonable inference that can be drawn from this finding is that a change in conditions had occurred concerning the number of wells in the pool that were capable of draining more than their just and equitable share of the gas.

Respondents submit that if a finding that a change of condition had occurred was necessary, any of the above findings will satisfy the requirement and, if not, the above findings combined clearly establish that a change of condition had occurred requiring a change in the formula.

POINTS IV AND V

THE ORDER CONTAINS THE BASIC FINDINGS OF JURISDICTIONAL FACTS REQUIRED BY STATUTE; IT ALSO CONTAINS FINDINGS WHICH MEET THE STATUTORY REQUIREMENTS FOR A VALID ALLOCATION OF GAS PRODUCTION.

As the above points are believed to be synonymous, they will be discussed together in the interest of orderly presentation.

Some discussion concerning the general requirements placed upon a regulatory agency to make findings of fact would seem appropriate prior to an analysis of the specific order in

question. The Court's attention is again called to Ferguson-Steere Motor Company v. State Corporation Commission, supra, wherein the Court held that the duty rests on the party complaining of the adequacy of findings to have made a request for them.

The Court's attention is called to the fact that there is no statutory requirement that the Oil Conservation Commission make findings of fact. It has been held that in the absence of such a legislative mandate, an administrative agency need name no findings of fact. Saporiti v. Zoning Board, 137 Conn. 478, 78 A.2d 741 (1951). It also has been held that necessary findings of fact will be implied in orders of the Oil & Gas Division of the Texas Railroad Commission. Corzelius v. Harrell, 143 Tex. 509, 186 S.W.2d 961 (1945). Respondents do not strongly contend that it is not necessary for the Commission to make findings of fact as we are aware that such findings enable the Court to intelligently review the agency decision by ascertaining whether the facts provided a reasonable basis for the agency's action and they enable the Court to determine whether the decision was based upon proper legal principles and supported by substantial evidence. Swars v. Council of City of Vallejo, 33 Cal.2d 867, 206 P.2d 355 (1949); Securities and Exchange Commission v. Chenery Corp., 318 U.S. 80, 63 S.Ct. 454, 87 L.Ed. 626 (1942). However, it is strongly urged that every inference should be drawn in favor of the sufficiency of the findings, particularly in view of the legislative determination in Section 65-3-22(b), NMSA, 1953 Comp., that the order is prima facie valid. In Continental Oil Company et al. v. Oil Conservation Commission et al., supra at 320, the New Mexico Supreme Court set out the findings necessary to issue a valid gas allocation order and stated:

> "Lacking such findings, or their equivalents, a supposedly valid order in current use cannot be replaced." (Emphasis added.)

The Court also stated in the Continental case, supra, that formal and elaborate findings are not absolutely necessary.

In Sinclair Oil & Gas Company v. Corporation Commission, supra at 856, a recent case involving the validity of a gas allocation order, the Court stated:

> "We think it would have been impractical, and would have added nothing to the validity of the order, if the Commission had undertaken to detail therein the many considerations that went into making up the findings announced therein. We think the Order's findings are sufficient under the circumstances here."

The Court's attention is also called to a recent Kansas case involving the validity of a gas allocation order, Colorado Interstate Gas Co. v. State Corporation Commission, 386 P.2d 266, 280, (Kan. 1963), wherein the Court said:

> "What facts are to be considered and the relative weight to be accorded them are matters left to the Commission's discretion."

To properly evaluate the sufficiency of the findings of fact contained in the order, it is necessary to examine the applicable statutes to determine the legislative mandate and intent concerning allocation of gas production. Section 65-3-13(c), NMSA, 1953 Comp., is the basic statute concerning allocation of allowable gas production in a field or pool. The statute provides:

> "Whenever, to prevent waste, the total allowable natural gas production from gas wells producing from any pool in this state is fixed by the commission in an amount less than that which the pool could produce if no restrictions were imposed, the commission shall allocate the allowable production among the gas wells in the pool delivering to a gas transportation facility upon a reasonable basis and recognizing correlative rights, and shall include in the proration schedule of such pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility which is reasonably capable of handling the type of gas produced by such well. In protecting correlative rights, the commission may give equitable consideration to acreage, pressure, open flow, porosity, permeability, deliverability and quality of the gas and to such other pertinent factors as may from time to time exist, and in so far as is

> practicable, shall prevent drainage between producing tracts in a pool which is not equalized by counter-drainage . . . ."

It should be noted that the duty imposed upon the Commission by the above statute is to "allocate the allowable production among the gas wells in the pool delivering to a gas transportation facility upon a reasonable basis and recognizing correlative rights." (Emphasis added.) Respondents submit that the order certainly contains a finding that the proposed 60-40 formula will allocate production upon a reasonable basis. Finding No. 11 specifically states that the most reasonable basis for allocating production in the pool is to determine for each proposed formula the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves and to select the allocation formula that will allow the maximum number of wells in the pool to produce within a reasonable tolerance of the ideal ratio. Findings No. 13, 14, 15, and 16 concerning the protection of correlative rights, the prevention of waste, drainage, and the opportunity to produce a just and equitable share of the reservoir energy also establish that the formula will allocate the allowable production upon a reasonable basis.

Section 65-3-13(c), NMSA, 1953 Comp., also requires the Commission to recognize correlative rights in allocating production and specifically authorizes the Commission, in protecting correlative rights, to give equitable consideration to acreage, pressure, open flow, porosity, permeability, deliverability, and quality of the gas and to such other pertinent factors as may from time to time exist, and insofar as is practicable, to prevent drainage between producing tracts in a pool which is not equalized by counter-drainage. As the legislative mandate concerning these factors is permissive rather than mandatory, it certainly cannot be argued that a failure to make a specific

finding concerning any of the above factors would be fatal to the order. And it should be noted that the order contains specific findings concerning acreage, deliverability, drainage, and other pertinent factors. Findings No. 10, 11, 12, 14, 15, and 16.

As the legislative mandate set out in Section 65-3-13(c), NMSA, 1953 Comp., requires the Commission to allocate the allowable production recognizing correlative rights, it also is necessary to consider Section 65-3-29(h) which defines correlative rights and Section 65-3-14(a) concerning equitable allocation of allowable production. These two statutory provisions are substantially similar. Section 65-3-29(h) reads as follows:

> "'Correlative rights' means the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste its just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy."

Section 65-3-14(a) reads as follows:

> "The rules, regulations or orders of the commission shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount so far as can be practically determined, and so far as such can be practicably obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for this purpose to use his just and equitable share of the reservoir energy."

The New Mexico Supreme Court commented on the findings necessary to meet the legislative mandate set out above in Continental Oil Company v. Oil Conservation Commission, supra at 318, wherein it stated:

> "The commission was here concerned with a formula for computing allowables, which is obviously directly related to correlative rights. In order to protect correlative rights, it is incumbent upon the commission to determine, 'so far as it is practicable to do so,' certain foundationary matters,

> without which the correlative rights of the various owners cannot be ascertained. Therefore, the commission, by 'basic conclusions of fact' (or what might be termed 'findings'), must determine, insofar as practicable, (1) the amount of recoverable gas under each producer's tract; (2) the total amount of recoverable gas in the pool; (3) the proportion that (1) bears to (2); and (4) what portion of the arrived at proportion can be recovered without waste."

The Commission's order contains findings concerning each requirement set out by the Court. Finding No. 6 refers to Column C, Tract Reserves of Exhibit A, which specifically sets out the initial recoverable gas reserves underlying each non-marginal tract in the pool. As set out in Finding No. 5, marginal wells are permitted to produce at capacity; therefore, it was not practicable to compute individual tract reserves for marginal wells. Marginal wells are permitted to produce at capacity as they are not capable of making the allowable assigned to them. In Finding No. 5, the Commission, insofar as practicable, determined the total amount of recoverable gas in the pool, and in Finding No. 7, determined the proportion that the recoverable gas under each tract bears to the total amount of recoverable gas in the pool. The Commission then determined the proportion of the arrived at proportion that could be recovered without waste. This is the volume of gas that will be allocated to each well under a formula that will allow the maximum number of wells in the pool to produce the proper percentage of total pool allowable as compared to percentage of total pool reserves. (Finding No. 11). In Finding No. 13, the Commission determined that correlative rights were not being protected and that waste would result unless the Commission acted to protect correlative rights. Its adoption of the formula is such action and application of the formula and the gas volumes calculated thereby determine the amount of gas that each well in the pool can produce without waste. This is further substantiated by Finding No. 14 that the

proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will prevent waste. Finding No. 15 also establishes that the allowable calculated by application of the 60-40 formula is the amount of gas that can be produced without waste as this finding concludes that application of the formula will prevent drainage between producing tracts which is not equalized by counter-drainage. The total amount of gas that can be produced from the pool without waste is established when the Commission determines reasonable market demand for the pool and the total volume of gas that each well can produce without waste is determined when the Commission allocates production pursuant to the allocation formula.

In Continental Oil Company v. Oil Conservation Commission, supra at 319, the Court stated:

> "Additionally, it should be observed that the commission, 'insofar as is practicable, shall prevent drainage between producing tracts in a pool which is not equalized by counter-drainage,' under the provisions of Section 65-3-13(c)."

As the Commission specifically found in Finding No. 15 that the 60-40 formula would, insofar as is practicable, prevent drainage between producing tracts which was not equalized by counter-drainage, it cannot be contended that the order is invalid for failure to contain such a finding.

Respondents submit that the order clearly contains findings which meet the legislative standard set out in Sections 65-3-14(a) and 65-3-29(h), supra. In Finding No. 14, the Commission determined that the proposed 60-40 formula would more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as could be determined. In Finding No. 15, the Commission determined that the 60-40 formula would, insofar as practicable, prevent drainage between producing tracts which was not equalized by counter-drainage, and in Finding No. 16,

the Commission determined that the 60-40 formula would, insofar as practicable, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

POINT VI

THE COMMISSION'S FINDINGS AND ORDER ARE BASED ON AND SUPPORTED BY SUBSTANTIAL EVIDENCE.

The New Mexico Supreme Court has recently commented on the manner in which a reviewing court must determine the question of substantial evidence to support findings of fact. In Trujillo v. Clark, 71 N.M. 288, 291, 377 P.2d 958 (1963), the Court stated:

> "When appellant asserts that the evidence does not substantially support findings of fact made by the trial court, this court must view the evidence together with all reasonable inferences to be deduced therefrom in the light most favorable to the successful party, and all evidence to the contrary must be disregarded."

Many New Mexico decisions have held that in reviewing the evidence on appeal, all evidence and inferences contrary to the disputed facts will be disregarded and the evidence viewed in the aspect most favorable to the judgment. Reid v. Brown, 56 N.M. 65, 240 P.2d 213 (1952); Little v. Johnson, 56 N.M. 232, 242 P.2d 1000 (1952); Silva v. Haake, 56 N.M. 497, 245 P.2d 835 (1952); Edwards v. Peterson, 61 N.M. 104, 295 P.2d 858 (1956); Hines v. Hines, 64 N.M. 377, 328 P.2d 944 (1958). Our Court has stated on numerous occasions that every presumption is indulged in favor of the correctness of regularity of the decision below. Coastal Claims Company v. Douglas, 69 N.M. 68, 364 P.2d 131 (1961); State ex rel State Highway Commission v. Tanny, 68 N.M. 117, 359 P.2d 350 (1961); Tri-Bullion Corporation v. American Smelting and Refining Company, 58 N.M. 787, 277 P.2d 293 (1954); Transport Trucking Company v. First National Bank in Albuquerque, 61 N.M. 320,

300 P.2d 476 (1956); Heine v. Reynolds, 69 N.M. 398, 367 P.2d 708, 1962); Batte v. Stanley's, 70 N.M. 364, 374 P.2d 124 (1962).

In Delaney v. Osborn, supra at 484, which was an appeal from an order of the Oklahoma Corporation Commission changing the gas-oil ratio applicable to a certain field, the Court said:

> "In determining the sufficiency of the evidence to sustain the present findings of the commission and its order, we cannot review and weigh the evidence to determine its preponderance. Our review is limited to the question of whether the findings and conclusions are sustained by substantial evidence and the law."

In Woody v. State Corporation Commission, 265 P.2d 1102, 1106, (Okla. 1954), which was also an appeal from a conservation order, the Court stated:

> "Neither are we required to weigh and measure the evidence in an endeavor to determine its preponderance. Our duty ends with the finding that there is evidence of a probative value reasonably and substantially sustaining the corporation's findings and order."

Consideration should also be given to the definition of substantial evidence adopted in New Mexico. In Brown v. Cobb, 53 N.M. 169, 172, 204 P.2d 264 (1949), the New Mexico Supreme Court stated:

> "In Marchbanks v. McCullough, supra, we define substantial evidence in the following language: 'if reasonable men all agree, or if they may fairly differ, as to whether the evidence establishes such facts, then it is substantial.'
>
> "Substantial evidence may also be defined as evidence of substance which establishes facts and from which reasonable inferences may be drawn. International Ry. Co. v. Boland, 169 Misc. 926, 8 N.Y.S.2d 643."

Numerous courts in decisions involving findings by administrative agencies have defined substantial evidence as such evidence as a reasonable man or a reasonable mind might accept as adequate to support a conclusion. Boston and M.R.R. v. U.S., 208 Fed.Supp. 661 (D.C. Mass. 1962); Ex parte Morris, 263 Ala. 664, 83 So.2d 716 (1955); John W. McGrath Corp. v. Hughes, 264 F.2d 314 (2nd Cir. 1959);

Freud v. Davis, 64 N.J.Super. 242, 165 A.2d 850 (1960); Davis v. State Department of Public Health and Welfare, 274 S.W.2d (Mo. 1955); Pittsburgh and L.E.R. Company v. Pennsylvania Public Utility Commission, 170 Pa.Super. 411, 85 A.2d 646 (1952). Other courts have stated that substantial evidence to support findings of an administrative agency means enough evidence to justify, if a trial were to a jury, a refusal to direct a verdict. Larmay v. Hobby, 132 Fed.Supp. 738 (E.D.Wis. 1955); Craig v. Ribicoff, 192 Fed.Supp. 479 (M.D.N.C. 1961). And it should be noted that the Court should not review and weigh the evidence to determine its preponderance. Delaney v. Osborn, supra; Woody v. State Corporation Commission, supra; Cities Service Oil Company v. Anglin, 204 Okla. 171, 228 P.2d 191 (1951); Gateway City Transfer Company v. Public Service Commission, 253 Wis. 397, 34 N.W.2d 238 (1948).

As respondents do not wish to burden the Court with duplicate recitals of the evidence, the parties to this brief adopt in full the Summaries of Testimony, Parts I, II, and III of the brief filed by Respondents, Consolidated Oil & Gas, Inc., and submit that the Commission's findings and order are based on and supported by substantial evidence.

POINT VII

THE COURT DOES NOT HAVE JURISDICTION OVER THE SUBJECT MATTER OF THIS ACTION AS THE PETITIONERS HAVE FAILED TO JOIN INDISPENSABLE PARTIES.

It is Respondents position that the Court does not have jurisdiction over the subject matter of this action, because Petitioners have failed to join indispensable parties. The validity of this point is, of course, tied to the question of who is an indispensable party. Petitioners apparently take the position that only the Commission, plus the original applicant,

Consolidated Oil & Gas, Inc., are indispensable, as they are the only named Defendants. Apparently Petitioners have decided that the adverse parties of record before the Commission are not indispensable, for they have not joined them. Petitioners have merely served them with notice of appeal, which is certainly not the same as being made an actual party.

The Supreme Court of New Mexico has adopted a very broad definition of indispensable party. In the early case of American Trust and Savings Bank of Albuquerque v. Scobee, 29 N.M. 436, 224 P. 788 (1924), the Court adopted the following test for indispensable party:

> "There is a general rule that all persons whose interests will necessarily be affected by any decree in a given case, are necessary and indispensable parties, and the Court will not proceed to a decree without them."

This rule has been specifically affirmed in the more recent case of Burguette v. Del Cuerto, 49 N.M. 292, 163 P.2d 257 (1945), and again in State Game Commission v. Tackett, 71 N.M. 400, 379 P.2d 54 (1962). In both of these recent cases, the above-quoted language of the Scobee case has been specifically adopted. The result of failure to join an indispensable party is, of course, a lack of jurisdiction of the Court that prohibits it from proceeding with the case.

Though the above-cited cases may be distinguished on the facts from the present situation, the general test set out above certainly is applicable to our situation. Petitioners cannot argue that operators other than Consolidated Oil & Gas, Inc., do not have an interest "that will necessarily be affected by any decree". In fact, when one looks to discover who would necessarily be affected by this decree, the Petitioners conclusion that only Consolidated, among the many operators in the Basin-Dakota Gas Pool, meets this test, is extraordinary.

The basic bone of contention in this case is a formula that allocates allowable gas production among all operators in

the Basin-Dakota Gas Pool. A change in the formula will therefore directly affect the amount of gas every operator is permitted to produce.

Applying the accepted standard for establishing indispensable parties to the present fact situation, it becomes apparent that not only operators who advocate the new formula will be affected by the Court's decision, but also those operators who appeared in opposition to the formula will be equally affected. Despite this, many of the protestants in the hearing are not joined, either as party plaintiffs or defendants. By the same token, all operators in the Basin-Dakota Gas Pool, whether parties in the hearing before the Commission or not, will obviously be affected by the Court's decree. An examination of Exhibit "A" attached to the order appealed from shows how many additional parties Petitioners have left out of this suit. Exhibit "A" also shows to what extent the formula affects each non-marginal well in the pool.

Petitioners might well argue the hardship of joining all operators in this pool. This type of argument has never impressed the Supreme Court, for in all three of the cases cited above the State of New Mexico was determined to be an indispensable party. Yet, in each case the Court recognized that the State could not be joined without its consent, which it would not give. This fact did not change the result.

The Court in the Burgueta case, on Page 260 of the Pacific Report states:

> "It has been suggested that some courts have announced a rule to the effect that where the State should be a party, but cannot under the law be sued and does not voluntarily come in, it need not be joined as a necessary party. Whether or not some courts have applied such a rule, we have foreclosed its application in New Mexico under our decision in American Trust & Savings Bank of Albuquerque v. Scobee, supra. See this case, 29 N.M. at page 453, 224 P. 790, where we said that:

> "* * * * *Where such necessary parties cannot for any reason be brought before the court, there is nothing to be done except to dismiss the bill, for the suit is inherently defective."

At first glance, the conclusion reached above that possibly all operators in the Basin-Dakota Gas Pool would be necessary and indispensable parties seems extreme. However, the Supreme Court of New Mexico has already reached such a conclusion in a case amazingly similar on its facts. This is the case of State v. W. S. Ranch Company, 69 N.M. 169, 364 P.2d 1036 (1961), where the State Engineer had attempted to enjoin the Ranch Company from using waters from the Costilla Creek above the Costilla Reservoir, claiming that the Ranch Company never had a license to appropriate waters from the creek. The Ranch Company in its answer set up the defence of failure to join indispensable parties, to-wit: all the water users on the creek below the Costilla Reservoir. The Court agreed and dismissed the suit and the State Engineer appealed. The Supreme Court affirmed and held that all water users below the reservoir would necessarily be affected by any decree and were, therefore, necessary and indispensable parties.

The reason that the Court found the water users were necessary and indispensable was that any adjudication of the Ranch Company's water rights would necessarily mean more or less water to the users below. By the same token, any change in the proration formula would necessarily mean more or less gas to the respective operators.

The implications of the W. S. Ranch Company case are admittedly far-reaching and Respondents do not claim to know the extent of the effect. What Respondents do argue is that obviously, under the definition of "necessary and indispensable parties" as established in New Mexico and as applied to the W. S. Ranch case, supra, something more is required than joining the Commission and one out of approximately 78 operators in the Basin-Dakota

INDEX OF POINTS

Oral Argument - EPNG v. OCC

I. I first would like to make a brief comment concerning our objection to the Appellants' Statement of the Facts.

A. As we have pointed out in our brief, the Appellants' Statement of the Facts is argumentative, incomplete, and contains a resumé of evidence with emphasis against the Court's findings and conclusions.

B. Although we do not wish to burden the Court with a detailed recital of each specific objection, we call the Courts attention to pages 1 - 5 of our brief and renew our objections.

C. We submit that the Appellants have not complied with the rules of this Court and that their Statement should be disregarded.

II. This is the second time in the history of the OCC that this Court has been asked to rule on the validity of a Commission order which changed a formula for allocating natural gas production.

III. In considering the validity of this order, it should be noted that the OCC is an administrative body created by the legislature and charged with the responsibility of preventing waste of oil and gas and protecting correlative rights.

A. Basically, the Commission is charged with the responsibility of preventing three kinds of waste:

1. Surface waste.
2. Underground waste.
3. Production in excess of market demand.

B. The Commission has several methods of fulfilling this statutory obligation.

1. One of the most important methods is the promulgation of General Rules and Regulations.

a. These rules have statewide application.

b. They are adopted and amended by order of the Commission only after notice and hearing.

c. They are designed to prevent waste and protect correlative rights.

d. The general rules regulate all phases of production and operation such as the size of drilling units, well locations, proration and allocation, secondary recovery, purchasing, transporting, refining, and rules of procedure before the Commission.

2. In addition to the general rules and regulations, the Commission promulgates rules and regulations of limited application.

a. These too are promulgated and amended by order of the Commission only after notice and hearing.

b. These rules apply to specific problems on a regional basis such as oil and gas operations in the Potash Area, the flaring of gas in certain areas, the disposal of produced salt water in certain areas, and gas proration procedures in certain areas.

c. Like the general rules, these rules are promulgated to prevent waste and protect correlative rights.

d. Order R-1670, which appears in the record as Instrument 36 of the Commission transcript, is an order adopting general rules and regulations of limited application.

e. This order promulgated General Rules and Regulations governing all prorated gas pools in Northwest New Mexico, including the pool which is the subject matter of this case.

f. Order R-1670 established the procedure for prorating gas in all prorated gas pools in Northwest New Mexico, including the Basin-Dakota Gas Pool.

g. This order established a procedure for determining reasonable market demand and ~~assigned~~ assigning allowables to individual wells in prorated gas pools in Northwest New Mexico.

3. The Commission also promulgates special rules and regulations governing oil and gas production and operating practices in specific pools.

a. The special rules are also promulgated and amended in order to prevent waste and protect correlative rights only after notice and hearing.

b. Order R-1670-C, which appears in the record as Instrument 37 of the Commission transcript, promulgated special rules and regulations governing the Basin-Dakota Gas Pool.

c. This order adopted by reference the procedure contained in Order R-1670 for allocating production and assigning allowables to individual wells.

d. Order R-1670-C is the order which distributes the allowable production to individual wells in the Basin-Dakota Gas Pool.

IV. In the case before the Court, the statewide rules and regulations, Order R-1670, and Order R-1670-C are not under attack.

A. The procedure for prorating gas in the Basin-Dakota Gas Pool has not been attacked by Appellants.

B. The Appellants' attack is limited to Order R-2259-B.

1. This order did not establish a new procedure for prorating gas in the Basin-Dakota Gas Pool.

2. Order R-2259-B amended Order R-1670-C by adopting a new formula for allocating production.

3. This was an amendment to the Special Rules and Regulations governing the Basin-Dakota Gas Pool, and this amendment was made in order to prevent waste and protect correlative rights only after notice and hearing.

C. In considering the Appellants' contention that the Commission failed to determine the amount of gas that could be produced from each tract without waste, it should be noted that the findings contained in Order R-2259-B are not the only findings the Commission has made and does make concerning this matter.

1. Pursuant to the statutes, the statewide rules, Order R-1670 and Order R-1670-C at least 30 days prior to the beginning of a gas proration period, the Commission holds a hearing and issues an order which finds that a determined amount of gas can be produced from the Basin-Dakota Gas Pool without waste during that six-month proration period.

65-3-13(C)

2. In addition, the Commission holds a hearing under these rules prior to each month of a gas proration period and issues an order correcting its preliminary determination of the amount of gas that can be produced from the pool during the following month.

   a. This order establishes a pool allowable for the month and adopts a proration schedule which assigns a MCF allowable to each well in the pool.

   b. By this order, the Commission finds that a specific MCF of gas can be produced from each well in the pool without waste during the following month.

   c. As the Court can see from this discussion, in addition to the findings contained in Order R-2259-B, the

Commission has made findings that determine the amount of gas that can be produced from each tract without waste in Orders R-1670 and R-1670-C and continually makes this finding under the procedures contained in these orders.

V. As I have previously stated, the Appellants have here attacked only the sufficiency of Order R-2259-B, and one of the principal points of attack is the sufficiency of the findings contained in that Order.

A. We first call the Court's attention to findings 5, 6, and 7.

1. The Appellants admit that these findings constitute the first three requirements of the statutes and the Continental decision, but contend that the Commission stopped at this point and selected an allocation formula based only on these three findings.

2. We submit that in reaching this conclusion, the Appellants have completely ignored findings 8 through 16 of Order R-2259-B and the calculations contained in Exhibit A.

VI. The Appellants contend that the Commission should have determined the specific amount of gas that could be produced from each well without waste before comparing the allocation formulas.

A. We submit that comparison of the two formulas was the <u>method</u> utilized by the Commission to determine the amount of gas each individual tract could produce without waste.

B. This was the method utilized by the Commission to determine the portion of the arrived at proportion that could be recovered without waste.

C. When the Commission determined the A/R factor for each well under the 25-75 formula in Column G of Exhibit A and the A/R factor for each well under the 60-40 formula in Column J of

Exhibit A this was a precise determination of the volume of gas that each well would produce under each formula.

D. When the pool is depleted each well would have received that portion of its tract reserves that is set out in Column G if the 25-75 formula were adopted and that portion of its tract reserves that is set out in Column J if the 60-40 formula were adopted.

VII. Having made this calculation, the Commission proceeded to determine whether the volumes of gas determined by the A/R factors contained in Column G of Exhibit A could be produced without waste or whether the volumes of gas determined by the A/R factors contained in Column J of Exhibit A could be produced without waste.

A. In findings 11 and 14, the Commission compared the number of wells that would produce with a proper A/R factor under each formula and the volume of gas that would be allocated to wells with a proper A/R factor under each formula.

B. The calculations contained in Exhibit A and the comparisons set out in findings 11 and 14 were <u>all</u> an integral part of the Commission's determination of the amount of gas that could be produced from each tract without waste.

C. In the Continental case, the Court said at 70 N.M. 324:

> "To state the problem in a different way if the Commission had determined, from a practical standpoint, that each owner had a certain amount of gas underlying his acreage; that the pool contained a certain amount of gas; and that a determined amount of gas could be produced and obtained without waste; then the Commission would have complied with the mandate of the statute . . . "

Comparison of the two formulas was the Commission's <u>method</u> of determining, from a practical standpoint, that a determined amount of gas could be produced and obtained without waste.

D. In reality, the Appellants are not attacking the Commission's failure to make a finding. They are attacking the Commission's method of making a finding. We strongly urge the Court to reject this attack for the Appellants are requesting the Court to substitute its judgment as to the best method for determining the amount of gas that could be produced without waste for the judgment of the Commission. We call the Court's attention to Pickens v. R. R. Commission, 387 S.W.2d 35, a decision reported subsequent to the preparation of our brief. This was a case involving the validity of a Texas Railroad Commission order changing the proration formula for an oil field. In sustaining the Commission's order, the Court stated:

> "This Court has taken the position that it is not the function of the Court to substitute itself for the Commission in determining the wisdom or advisability of a particular order. The power to regulate the production of oil and gas has been delegated by the Legislature to the Commission. The Court will not usurp that authority. It will not invalidate an order of the Commission because some other order might be thought by the Court to be better or more equitable."

VIII. When the Commission found that the 60-40 formula would more adequately protect correlative rights and prevent waste in finding 14, that the 60-40 formula would prevent drainage between producing tracts in finding 15, and that the 60-40 formula would afford to the owner of each property the opportunity to use his just and equitable share of the reservoir energy in finding 16, they completely satisfied the 4th requirement of the Continental decision.

A. These findings are basic conclusions of fact which determined through Column J of Exhibit A what portion of the arrived at proportion could be recovered without waste.

B. In the Continental case this Court, in discussing the required findings, made the following comment at 70 N.M. 320:

> "Lacking such findings, or their equivalents, a supposedly valid order in current use cannot be replaced."

C. We submit that the Commission conscientiously attempted to fully meet the requirements set out in the Continental decision, that findings 14, 15, 16, and Column J of Exhibit A constitute the required 4th finding of the Continental case, and if not, they certainly are equivalent to such a finding.

Oral Argument - EPNG v. OCC

I. I first would like to make a brief comment concerning our objection to the Appellants' Statement of the Facts.

A. As we have pointed out in our brief, the Appellants' Statement of the Facts is argumentative, incomplete, and contains a resumé of evidence with emphasis against the Court's findings and conclusions.

B. Although we do not wish to burden the Court with a detailed recital of each specific objection, we call the Courts attention to pages 1 - 5 of our brief and renew our objections.

C. We submit that the Appellants have not complied with the rules of this Court and that their Statement should be disregarded.

II. This is the second time in the history of the OCC that this Court has been asked to rule on the validity of a Commission order which changed a formula for allocating natural gas production.

III. In considering the validity of this order, it should be noted that the OCC is an administrative body created by the legislature and charged with the responsibility of preventing waste of oil and gas and protecting correlative rights.

A. Basically, the Commission is charged with the responsibility of preventing three kinds of waste:

1. Surface waste.

2. Underground waste.

3. Production in excess of market demand.

B. The Commission has several methods of fulfilling this statutory obligation.

1. One of the most important methods is the promulgation of General Rules and Regulations.

a. These rules have statewide application.

b. They are adopted and amended by order of the Commission only after notice and hearing.

c. They are designed to prevent waste and protect correlative rights.

d. The general rules regulate all phases of production and operation such as the size of drilling units, well locations, proration and allocation, secondary recovery, purchasing, transporting, refining, and rules of procedure before the Commission.

2. In addition to the general rules and regulations, the Commission promulgates rules and regulations of limited application.

a. These too are promulgated and amended by order of the Commission only after notice and hearing.

b. These rules apply to specific problems on a regional basis such as oil and gas operations in the Potash Area, the flaring of gas in certain areas, the disposal of produced salt water in certain areas, and gas proration procedures in certain areas.

c. Like the general rules, these rules are promulgated to prevent waste and protect correlative rights.

d. Order R-1670, which appears in the record as Instrument 36 of the Commission transcript, is an order adopting general rules and regulations of limited application.

e. This order promulgated General Rules and Regulations governing all prorated gas pools in Northwest New Mexico, including the pool which is the subject matter of this case.

f. Order R-1670 established the procedure for prorating gas in Northwest New Mexico, including the Basin-Dakota Gas Pool.

g. This order established a procedure for determining reasonable market demand and ~~assigned~~ assigning allowables to individual wells in prorated gas pools in Northwest New Mexico.

3. The Commission also promulgates special rules and regulations governing oil and gas production and operating practices in specific pools.

a. The special rules are also promulgated and amended in order to prevent waste and protect correlative rights only after notice and hearing.

b. Order R-1670-C, which appears in the record as Instrument 37 of the Commission transcript, promulgated special rules and regulations governing the Basin-Dakota Gas Pool.

c. This order adopted by reference the procedure contained in Order R-1670 for allocating production and assigning allowables to individual wells.

d. Order R-1670-C is the order which distributes the allowable production to individual wells in the Basin-Dakota Gas Pool.

IV. In the case before the Court, the statewide rules and regulations, Order R-1670, and Order R-1670-C are not under attack.

A. The procedure for prorating gas in the Basin-Dakota Gas Pool has not been attacked by Appellants.

B. The Appellants' attack is limited to Order R-2259-B.

1. This order did not establish a new <u>procedure</u> for prorating gas in the Basin-Dakota Gas Pool.

2. Order R-2259-B amended Order R-1670-C by adopting a new <u>formula</u> for allocating production.

3. This was an amendment to the Special Rules and Regulations governing the Basin-Dakota Gas Pool, and this amendment was made in order to prevent waste and protect correlative rights only after notice and hearing.

C. In considering the Appellants' contention that the Commission failed to determine the amount of gas that could be produced from each tract without waste, it should be noted that the findings contained in Order R-2259-B are not the only findings the Commission has made and does make concerning this matter.

1. Pursuant to the statutes, the statewide rules, Order R-1670 and Order R-1670-C at least 30 days prior to the beginning of a gas proration period, the Commission holds a hearing and issues an order which finds that a determined amount of gas can be produced from the Basin-Dakota Gas Pool without waste during that six-month proration period.

2. In addition, the Commission holds a hearing under these rules prior to each month of a gas proration period and issues an order correcting its preliminary determination of the amount of gas that can be produced from the pool during the following month.

   a. This order establishes a pool allowable for the month and adopts a proration schedule which assigns a MCF allowable to each well in the pool.

   b. By this order, the Commission finds that a specific MCF of gas can be produced from each well in the pool without waste during the following month.

   c. As the Court can see from this discussion, in addition to the findings contained in Order R-2259-B, the

Commission has made findings that determine the amount of gas that can be produced from each tract without waste in Orders R-1670 and R-1670-C and continually makes this finding under the procedures contained in these orders.

V. As I have previously stated, the Appellants have here attacked only the sufficiency of Order R-2259-B, and one of the principal points of attack is the sufficiency of the findings contained in that Order.

A. We first call the Court's attention to findings 5, 6, and 7.

1. The Appellants admit that these findings constitute the first three requirements of the statutes and the Continental decision, but contend that the Commission stopped at this point and selected an allocation formula based only on these three findings.

2. We submit that in reaching this conclusion, the Appellants have completely ignored findings 8 through 16 of Order R-2259-B and the calculations contained in Exhibit A.

VI. The Appellants contend that the Commission should have determined the specific amount of gas that could be produced from each well without waste before comparing the allocation formulas.

A. We submit that comparison of the two formulas was the <u>method</u> utilized by the Commission to determine the amount of gas each individual tract could produce without waste.

B. This was the method utilized by the Commission to determine the portion of the arrived at proportion that could be recovered without waste.

C. When the Commission determined the A/R factor for each well under the 25-75 formula in Column G of Exhibit A and the A/R factor for each well under the 60-40 formula in Column J of

Exhibit A this was a precise determination of the volume of gas that each well would produce under each formula.

D. When the pool is depleted each well would have received that portion of its tract reserves that is set out in Column G if the 25-75 formula were adopted and that portion of its tract reserves that is set out in Column J if the 60-40 formula were adopted.

VII. Having made this calculation, the Commission proceeded to determine whether the volumes of gas determined by the A/R factors contained in Column G of Exhibit A could be produced without waste or whether the volumes of gas determined by the A/R factors contained in Column J of Exhibit A could be produced without waste.

A. In findings 11 and 14, the Commission compared the number of wells that would produce with a proper A/R factor under each formula and the volume of gas that would be allocated to wells with a proper A/R factor under each formula.

B. The calculations contained in Exhibit A and the comparisons set out in findings 11 and 14 were all an integral part of the Commission's determination of the amount of gas that could be produced from each tract without waste.

C. In the Continental case, the Court said at 70 N.M. 324:

> "To state the problem in a different way if the Commission had determined, from a practical standpoint, that each owner had a certain amount of gas underlying his acreage; that the pool contained a certain amount of gas; and that a determined amount of gas could be produced and obtained without waste; then the Commission would have complied with the mandate of the statute . . . "

Comparison of the two formulas was the Commission's method of determining, from a practical standpoint, that a determined amount of gas could be produced and obtained without waste.

D. In reality, the Appellants are not attacking the Commission's failure to make a finding. They are attacking the Commission's method of making a finding. We strongly urge the Court to reject this attack for the Appellants are requesting the Court to substitute its judgment as to the best method for determining the amount of gas that could be produced without waste for the judgment of the Commission. We call the Court's attention to Pickens v. R. R. Commission, 387 S.W.2d 35, a decision reported subsequent to the preparation of our brief. This was a case involving the validity of a Texas Railroad Commission order changing the proration formula for an oil field. In sustaining the Commission's order, the Court stated:

> "This Court has taken the position that it is not the function of the Court to substitute itself for the Commission in determining the wisdom or advisability of a particular order. The power to regulate the production of oil and gas has been delegated by the Legislature to the Commission. The Court will not usurp that authority. It will not invalidate an order of the Commission because some other order might be thought by the Court to be better or more equitable."

VIII. When the Commission found that the 60-40 formula would more adequately protect correlative rights and prevent waste in finding 14, that the 60-40 formula would prevent drainage between producing tracts in finding 15, and that the 60-40 formula would afford to the owner of each property the opportunity to use his just and equitable share of the reservoir energy in finding 16, they completely satisfied the 4th requirement of the Continental decision.

A. These findings are basic conclusions of fact which determined through Column J of Exhibit A what portion of the arrived at proportion could be recovered without waste.

B. In the Continental case this Court, in discussing the required findings, made the following comment at 70 N.M. 320:

> "Lacking such findings, or their equivalents, a supposedly valid order in current use cannot be replaced."

C. We submit that the Commission conscientiously attempted to fully meet the requirements set out in the Continental decision, that findings 14, 15, 16, and Column J of Exhibit A constitute the required 4th finding of the Continental case, and if not, they certainly are equivalent to such a finding.

Oral Argument - EPNG v. OCC

I. I first would like to make a brief comment concerning our objection to the Appellants' Statement of the Facts.

A. As we have pointed out in our brief, the Appellants' Statement of the Facts is argumentative, incomplete, and contains a resumé of evidence with emphasis against the Court's findings and conclusions.

B. Although we do not wish to burden the Court with a detailed recital of each specific objection, we call the Courts attention to pages 1 - 5 of our brief and renew our objections.

C. We submit that the Appellants have not complied with the rules of this Court and that their Statement should be disregarded.

II. This is the second time in the history of the OCC that this Court has been asked to rule on the validity of a Commission order which changed a formula for allocating natural gas production.

III. In considering the validity of this order, it should be noted that the OCC is an administrative body created by the legislature and charged with the responsibility of preventing waste of oil and gas and protecting correlative rights.

A. Basically, the Commission is charged with the responsibility of preventing three kinds of waste:

1. Surface waste.

2. Underground waste.

3. Production in excess of market demand.

B. The Commission has several methods of fulfilling this statutory obligation.

1. One of the most important methods is the promulgation of General Rules and Regulations.

a. These rules have statewide application.

b. They are adopted and amended by order of the Commission only after notice and hearing.

c. They are designed to prevent waste and protect correlative rights.

d. The general rules regulate all phases of production and operation such as the size of drilling units, well locations, proration and allocation, secondary recovery, purchasing, transporting, refining, and rules of procedure before the Commission.

2. In addition to the general rules and regulations, the Commission promulgates rules and regulations of limited application.

a. These too are promulgated and amended by order of the Commission only after notice and hearing.

b. These rules apply to specific problems on a regional basis such as oil and gas operations in the Potash Area, the flaring of gas in certain areas, the disposal of produced salt water in certain areas, and gas proration procedures in certain areas.

c. Like the general rules, these rules are promulgated to prevent waste and protect correlative rights.

d. Order R-1670, which appears in the record as Instrument 36 of the Commission transcript, is an order adopting general rules and regulations of limited application.

e. This order promulgated General Rules and Regulations governing all prorated gas pools in Northwest New Mexico, including the pool which is the subject matter of this case.

f. Order R-1670 established the procedure for prorating gas in Northwest New Mexico, including the Basin-Dakota Gas Pool.

g. This order established a procedure for determining reasonable market demand and ~~assigned~~ assigning allowables to individual wells in prorated gas pools in Northwest New Mexico.

3. The Commission also promulgates special rules and regulations governing oil and gas production and operating practices in specific pools.

a. The special rules are also promulgated and amended in order to prevent waste and protect correlative rights only after notice and hearing.

b. Order R-1670-C, which appears in the record as Instrument 37 of the Commission transcript, promulgated special rules and regulations governing the Basin-Dakota Gas Pool.

c. This order adopted by reference the procedure contained in Order R-1670 for allocating production and assigning allowables to individual wells.

d. Order R-1670-C is the order which distributes the allowable production to individual wells in the Basin-Dakota Gas Pool.

IV. In the case before the Court, the statewide rules and regulations, Order R-1670, and Order R-1670-C are not under attack.

A. The procedure for prorating gas in the Basin-Dakota Gas Pool has not been attacked by Appellants.

B. The Appellants' attack is limited to Order R-2259-B.

1. This order did not establish a new procedure for prorating gas in the Basin-Dakota Gas Pool.

2. Order R-2259-B amended Order R-1670-C by adopting a new formula for allocating production.

3. This was an amendment to the Special Rules and Regulations governing the Basin-Dakota Gas Pool, and this amendment was made in order to prevent waste and protect correlative rights only after notice and hearing.

C. In considering the Appellants' contention that the Commission failed to determine the amount of gas that could be produced from each tract without waste, it should be noted that the findings contained in Order R-2259-B are not the only findings the Commission has made and does make concerning this matter.

1. Pursuant to the statutes, the statewide rules, Order R-1670 and Order R-1670-C at least 30 days prior to the beginning of a gas proration period, the Commission holds a hearing and issues an order which finds that a determined amount of gas can be produced from the Basin-Dakota Gas Pool without waste during that six-month proration period.

2. In addition, the Commission holds a hearing under these rules prior to each month of a gas proration period and issues an order correcting its preliminary determination of the amount of gas that can be produced from the pool during the following month.

   a. This order establishes a pool allowable for the month and adopts a proration schedule which assigns a MCF allowable to each well in the pool.

   b. By this order, the Commission finds that a specific MCF of gas can be produced from each well in the pool without waste during the following month.

   c. As the Court can see from this discussion, in addition to the findings contained in Order R-2259-B, the

Commission has made findings that determine the amount of gas that can be produced from each tract without waste in Orders R-1670 and R-1670-C and continually makes this finding under the procedures contained in these orders.

V. As I have previously stated, the Appellants have here attacked only the sufficiency of Order R-2259-B, and one of the principal points of attack is the sufficiency of the findings contained in that Order.

A. We first call the Court's attention to findings 5, 6, and 7.

1. The Appellants admit that these findings constitute the first three requirements of the statutes and the Continental decision, but contend that the Commission stopped at this point and selected an allocation formula based only on these three findings.

2. We submit that in reaching this conclusion, the Appellants have completely ignored findings 8 through 16 of Order R-2259-B and the calculations contained in Exhibit A.

VI. The Appellants contend that the Commission should have determined the specific amount of gas that could be produced from each well without waste before comparing the allocation formulas.

A. We submit that comparison of the two formulas was the <u>method</u> utilized by the Commission to determine the amount of gas each individual tract could produce without waste.

B. This was the method utilized by the Commission to determine the portion of the arrived at proportion that could be recovered without waste.

C. When the Commission determined the A/R factor for each well under the 25-75 formula in Column G of Exhibit A and the A/R factor for each well under the 60-40 formula in Column J of

Exhibit A this was a precise determination of the volume of gas that each well would produce under each formula.

D. When the pool is depleted each well would have received that portion of its tract reserves that is set out in Column G if the 25-75 formula were adopted and that portion of its tract reserves that is set out in Column J if the 60-40 formula were adopted.

VII. Having made this calculation, the Commission proceeded to determine whether the volumes of gas determined by the A/R factors contained in Column G of Exhibit A could be produced without waste or whether the volumes of gas determined by the A/R factors contained in Column J of Exhibit A could be produced without waste.

A. In findings 11 and 14, the Commission compared the number of wells that would produce with a proper A/R factor under each formula and the volume of gas that would be allocated to wells with a proper A/R factor under each formula.

B. The calculations contained in Exhibit A and the comparisons set out in findings 11 and 14 were all an integral part of the Commission's determination of the amount of gas that could be produced from each tract without waste.

C. In the Continental case, the Court said at 70 N.M. 324:

> "To state the problem in a different way if the Commission had determined, from a practical standpoint, that each owner had a certain amount of gas underlying his acreage; that the pool contained a certain amount of gas; and that a determined amount of gas could be produced and obtained without waste; then the Commission would have complied with the mandate of the statute . . . "

Comparison of the two formulas was the Commission's method of determining, from a practical standpoint, that a determined amount of gas could be produced and obtained without waste.

D. In reality, the Appellants are <u>not</u> attacking the Commission's failure to make a finding. They are attacking the Commission's method of making a finding. We strongly urge the Court to reject this attack for the Appellants are requesting the Court to substitute its judgment as to the best method for determining the amount of gas that could be produced without waste for the judgment of the Commission. We call the Court's attention to Pickens v. R. R. Commission, 387 S.W.2d 35, a decision reported subsequent to the preparation of our brief. This was a case involving the validity of a Texas Railroad Commission order changing the proration formula for an oil field. In sustaining the Commission's order, the Court stated:

> "This Court has taken the position that it is not the function of the Court to substitute itself for the Commission in determining the wisdom or advisability of a particular order. The power to regulate the production of oil and gas has been delegated by the Legislature to the Commission. The Court will not usurp that authority. It will not invalidate an order of the Commission because some other order might be thought by the Court to be better or more equitable."

VIII. When the Commission found that the 60-40 formula would more adequately protect correlative rights and prevent waste in finding 14, that the 60-40 formula would prevent drainage between producing tracts in finding 15, and that the 60-40 formula would afford to the owner of each property the opportunity to use his just and equitable share of the reservoir energy in finding 16, they completely satisfied the 4th requirement of the Continental decision.

A. These findings are basic conclusions of fact which determined through Column J of Exhibit A what portion of the arrived at proportion could be recovered without waste.

B. In the Continental case this Court, in discussing the required findings, made the following comment at 70 N.M. 320:

> "Lacking such findings, or their equivalents, a supposedly valid order in current use cannot be replaced."

C. We submit that the Commission conscientiously attempted to fully meet the requirements set out in the Continental decision, that findings 14, 15, 16, and Column J of Exhibit A constitute the required 4th finding of the Continental case, and if not, they certainly are equivalent to such a finding.

Jim:

An additional note re the attached: I don't mean to tell you how to handle this, and the attacked is only intented to be helpful. I hope you will find it so, and if not tear it up. I got carried away at the end with a buch of stuff with which you may, or may not agree. In any event use this in any way, or not at all, as you see fit. I'm not the least worried about how ;your argument will turn out.

Joe

Jim:

Here is a rough outline I took down while you and Ted were talking about your opening on explanation of the business of gas prorationing. I may have got some of it messed up, but I hope you will find it helpful.

Preliminary outline

I. Commission a creature of statute, directed to prevent waste of natural resources

1. Prevention of Waste

2. Kinds of waste

A. Surface Waste
B. Production in excess of market demand
C. Underground waste.

3. How these kinds of waste are prevented

A. Rules of state-wide application
(1) govern methods of operation, procedures before the commission
(a) general rules of production and operating drilling, proration and allocation, secondary recovery, oil purchasing and transporting.
(2) all directed toward the prevention of waste

B. Rules of limited application
(1) Orders directed to specific problems on a state or regional basis.

C. Pool Rules
(1) Drilling, completing, operating, producing, spacing, etc., within a specific pool.

4. Which problem are we concerned with here.

A. State-wide rules are not under attack
B. Rules of general application in the area, and the specific rules of the pool are not under attack.
C. Orders R-1670 and R-1670-C, which establish the procedure for prorating gas in the state as a whole, and in the Basin-Dakota Gas Pool specifically, are not under attack.
D. Only Order R-2259-B , the order which adopts a formula on the basis of which the pool allowable is distributed back to the individual wells, is under attack.

The allowable itself -- the amount of gas that can be produced from the pool, and hence from

the wells within the pool, without waste, is determined by the Commission pursuant to the provisions of the State Wide rules, and specifically Rules 601, 602 and 603, and under the provisions of Commission Orders R-1670, 1670-C, none of which are under attack i n this case.

The duty of the Commission to determine the amount of gas that can be produced from the Basin Dakota Pool without waste is carried on within the framework of all of these orders -- not just under Order R-2259-B, which is under attack here.

Thus it is clear the only quarrel that appellants have with the Commission is the formula adopted -- the tool used by the Commission -- to allocate to the individual wells that amount of gas they shall be permitted to produce which is an amount determined by the commission, under orders not under attack here, which the commission has already determine may be produced from the Basin Dakota Pool without waste.

STATE OF NEW MEXICO)
) IN THE DISTRICT COURT
COUNTY OF SAN JUAN)

EL PASO NATURAL GAS COMPANY, a corporation, PAN AMERICAN PETROLEUM CORPORATION, a corporation, MARATHON OIL COMPANY, a corporation, SOUTHWEST PRODUCTION COMPANY, a partnership, and SUNSET INTERNATIONAL PETROLEUM CORPORATION, a corporation,

Petitioners,

vs. No. 11685

OIL CONSERVATION COMMISSION OF NEW MEXICO, JACK M. CAMPBELL, Chairman, E. S. WALKER, Member, A. L. PORTER, JR., Member and Secretary, CONSOLIDATED OIL AND GAS, INC., a corporation,

Respondents.

APPEARANCES:

Ross L. Malone
Atwood and Malone
Roswell, New Mexico - On behalf of Petitioners, Marathon Oil and Pan American Petroleum.

George L. Verity
Verity, Burr, Cooley & Jones
Farmington, New Mexico - On behalf of Petitioner Beta Development Company.

Kent B. Hampton
Casper, Wyoming - On behalf of Petitioners.

William Federici
Seth, Montgomery, Federici & Andrews
Santa Fe, New Mexico - On behalf of El Paso Natural Gas Company and Sunset International Production Corporation.

Garrett Whitworth
El Paso, Texas - On behalf of El Paso Natural Gas Company

J. M. Durrett, Jr.
Special Assistant Attorney General
Santa Fe, New Mexico - On behalf of Oil Conservation Commission

Booker Kelly
Gilbert, White & Gilbert
Santa Fe, New Mexico - On behalf of Texaco, Inc., and Sunray.

Jason Kellahin
Kellahin and Fox
Santa Fe, New Mexico - On behalf of Consolidated Oil and Gas, Inc.

T. P. Stockmar
Denver Colorado
Member of Colorado Bar - On behalf of Southern Union Gas Company

A. S. Grenier and
William E. Jameson
Dallas, Texas - On behalf of Southern Union Gas Company

John B. Tittmann
Keleher and McLeod
Albuquerque, New Mexico - Appearing as Amicus Curiae and will not participate.

The above-entitled and numbered cause came on for hearing on legal issues before the Honorable C. C. McCulloh, District Judge of the Eleventh Judicial District, Division 1, at Aztec, New Mexico, on March 5, 1964:

BY MR. J. M. DURRETT, JR: The transcript is now being tendered to the Court by James M. Durrett, Jr., Cause No. 2504, before the Oil Conservation Commission, certified by Mr. A. L. Porter, Secretary-Director of the New Mexico Oil Conservation Commission. Copies of certificates have been served to opposing counsel.

Copy of each transcript of hearing before the Commission in this case I tender to the Court. In connection with this record we are tendering to the Court at this time the entire record of proceedings before the Oil Conservation Commission. We did not have a formal request for specific portions of the record, although, we were contacted informally and asked to certify the record, and in that connection we certified it as recorded.

COURT: Any objection?

MR. ROSS MALONE: I understand Mr. Durrett is now offering that in evidence in this case?

MR. DURRETT: Yes, we offer it to the Court as the official record before the Commission.

MR. MALONE: On behalf of the Petitioners, as we understand the Statute relating to review of proceedings the transcript is admitted subject to objection by either party as to portions of it. The Petitioners object to the portion of the record offered by the Commission which is composed of Consolidated Exhibits one through nine inclusive, offered at the re-hearing, for the reasons stated in the transcript. At the time objection was made to the admission of those Exhibits and for the following additional reasons:

First, that the Exhibits are incompetent for the purposes for which offered and used; second, for the reason that insufficient predicate was laid for the introduction of the Exhibits and the Basin Exhibit upon which subsequent Exhibits were predicated; third, for the reason that the Exhibits constitute hearsay, or are based on hearsay and for that reason are inadmissible; fourth, for the reason that the material on which the Exhibits were predicated and which was incorporated in it, has not been properly substantiated.

If it please the Court, just as a suggestion, those objections and this question of the testimony really I think will be involved in the argument of the case as a whole and I would suggest as a possible means of proceeding, if the Court would reserve his ruling on the question of the admissibility

until after the entire argument has been heard, and we will be prepared to discuss the problems raised.

MR. KELLAHIN: I agree with Mr. Malone's request that a ruling be withheld, and Exhibits one through nine have been objected to and the record shows one and two were not objected to.

MR. MALONE: I intended to state, and I believe I should, that they were objected to at this time for the reasons stated in the transcript and additional reasons, and if there are no objections, the additional objections will go to those Exhibits. I should have added we of course also object to all testimony predicated upon those Exhibits, because if those Exhibits should be ruled out the testimony of necessity will follow.

MR. DURRETT: Your Honor, the Oil Conservation Commission would urge the Court to withhold any ruling on these objections until the argument is completed, and in connection with this we certainly feel all the evidence in the record is proper to be considered by the Court, all proceedings before the Oil Conservation Commission, and it may be alleged here today some of that testimony is incompetent and hearsay, if so, the Commission did not so find and did not consider it, and we submit the Court is permitted to arrive at that conclusion.

COURT: Very well, the Court will reserve a ruling on this until after the argument - after I hear some statements of points relied on by parties in submitting their briefs. These have not been filed, do you wish those filed - one from Mr. Kellahin, Mr. Durrett and L. C. White.

MR. MALONE: I believe there is one from Petitioners also, your Honor.

COURT: I don't believe there was, I don't see it here, it is probably on my desk.

MR. MALONE: Insofar as the Petitioners are concerned, I doubt that those points would add any thing to the record in the case. They were submitted as a basis for the filing of the simultaneous briefs, and in asmuch as the briefs will not be a part of the record insofar as the Petitioners are concerned, we will not offer those.

MR. DURRETT: The same will hold true for the Respondents.

MR. KELLY: Sunray and DX don't want them entered.

MR. KELLAHIN: Will not ask it be made a part of the record.

MR. FEDERICI: When Mr. Malone was stating the objections in the record he was speaking for all the Petitioners, including the El Paso Natural Gas Company and others.

MR. MALONE: I referred earlier to Stipulation of Fact that had been entered into in which all counsel have joined, which I will ask to have identified as Stipulated Exhibit No. 1.

(Stipulated Exhibit No. 1, marked for identification)

I take it the Exhibit offered by Oil Conservation Commission has been admitted in evidence subject to the objections on which the Court reserves ruling, so we may be able to refer to the Exhibit in our argument?

COURT: Yes.

MR. MALONE: I offer in evidence Stipulated Exhibit No. 1, which ahs been signed by counsel.

COURT: It will be admitted.

MR. MALONE: A question arose in connection with one of the defenses, as to the date on which the Order appealed from, No. 2259-B, was entered in the records of the Oil Conservation Commission. The Statute provides for the filing of an application for re-hearing within twenty days from the entry of the Order. The question of when that entry occurred arose, and this stipulation with reference to the facts in that respect was entered into:

"It is stipulated and agreed between undersigned counsel for the parties to this action that on July 3, 1963 two members of the New Mexico Oil Conservation Commission Order No. R-2259-B; that said original order was forwarded to the printer for reproduction; upon the return of the original order from the printer, both the original and the copy of said order were signed by the third member of the Commission; the signed copy of said order No. R-2259-B, upon being signed by the third member of the Commission, was placed in the file of Case No. 2504; the original order was then placed in full, as required by Sec. 65-3-6, N.M.S.A., 1953 Compl., in a book kept in the Commission office for such purpose, this action being taken at the direction of A. L. Porter, Jr., Secretary-Director of the Commission, and said A. L. Porter, Jr., thereupon endorsed on the order placed in said book the following:

"Entered July 9, 1963
A. L. P."

upon the first page of such original order.

It is further stipulated and agreed that a copy of said order No. R-2259-B was mailed by the Commission to the Supreme

Court Law Library and to all interested parties on July 9, 1963, and that no notice of said order was given to any party prior to said date, nor did any pary have actual knowledge of said order prior to July 9, 1963."

(Petitioners' Exhibit No. 1 marked for identification)

MR. MALONE: Petitioners' Exhibit 1 is a copy of Order R-2259-B, Case No. 2504, certified by A. L. Porter, Jr., Secretary-Director of the Commission, on which there appears "Entered July 9, 1963, A.L.P." which was referred to in the Stipulation offered by Petitioners, the copy in the transcript does not show that endorsement and feel it should be supplemented in that regard.

COURT: Any objections?

MR. DURRETT: I would like to state for the record, the Oil Conservation Commission is not entering into this dispute over the date the Order was entered into the record, and for that reason we have no objection.

MR. KELLAHIN: We are a party to the stipulation. As to the copy of the Order of Petitioners' Exhibit No. 1, we have no objection to it, although I feel it serves no purpose since it is fully covered in the stipulation. I think it is a matter in which the Court could take judicial notice, and therefore we have no objection.

COURT: It will be admitted.

MR. MALONE: May it please the Court, this is an appeal from the Order of the Oil Conservation Commission of New Mexico, No. R-2259-B, which was entered in Case No. 2504 on July 9, 1963.

The Order, as the Court is aware, changed the gas proration formula which had been in effect for the Basin-Dakota gas pool in Rio Arriba, Sandoval and San Juan Counties for a period of thirty-two months, which was the entire period since the pro-rating of gas in the Basin-Dakota pool was originally inaugurated. During the period that that original order No. R-1670-C was in effect, the thirty-two months' period, operators in the Dakota gas pool had drilled some 640 producing wells in reliance upon the formula which was promulgated at the outset of allocation of production and which had remained in effect until the order appealed from changed it. The original order provided for the allocation of production within the pool on the basis of a formula 25% acreage and 75% acreage times deliverability. This was the formula that was promulgated at the outset of the allocation of production in this pool, it was the formula that was applicable in all other gas pools in Northwestern New Mexico. At the time it was adapted and applicable in all Northwestern pools in New Mexico it was developed on a 350 acre spacing pattern so that the standard tract allocated to a well is 320 acres. As the Court knows, a marginal tract, or marginal well, is one which is unable to produce the top allowable allocated

in that pool; as the Court also knows the mechanics of allocating production under a pro-ration order are that, first, the amount of gas that will be produced by the marginal wells that cannot make a top allowable is totaled and subtracted from the total allowable that is allocated to that pool. The remaining portion of the allowable after subtraction of what is allocated to the marginal tracts is then allocated between the non-marginal tracts, or wells in the pool and the formula by which that allocation is accomplished is the formula which is in issue here.

I think that the record shows that at the time the record was closed in this case there were some 900 producing wells in the Basin-Dakota gas pool and I believe the Court can take judicial notice of the records of the Oil Conservation Commission, which would show approximately 1200 wells in that pool which have been completed as producing wells at the present time, so it is one of the largest producing gas pools in the State of New Mexico. I am sure that no one in this proceeding minimizes in any respect the difficulty of the problem that the Oil Conservation Commission has in trying to allocate production and pro-rate gas pools in New Mexico, and in particular the gas pools in the size and complexity of the Basin-Dakota pool, so that everything we may have to say about the order that was actually entered in this case, and which is under review in this proceeding is said in a highly sympathetic manner insofar as the problem facing the Commission is concerned, but because the validity of the order

has to be tested against the Statutes of New Mexico as they have been construed in the State of New Mexico, and against the constitutional rights and the rights of the producers in that pool, it is the position of Petitioners that Order R-2259-B is invalid and for the reasons which will be outlined in argument.

Perhaps it might be helpful to point out that the record shows in the hearing before the Commission there were thirteen operators who appeared in support of the change in the formula which was ultimately made, by the Commission to a 60-40 formula, and those thirteen operators operated a total of 111 wells. Fourteen operators in the Basin-Dakota gas pool appeared in support of the retention of the existing 25-75 formula, or in opposition to 60-40 formula and those 14 operators were operators of 442 wells in the Basin-Dakota pool. In this hearing before the Commission the record shows that the Petitioners in this proceeding are the operators of 283 wells in the Basin-Dakota pool and that the Respondents and those who had intervened on the side of the Respondents are the operators of fifty wells in the pool, so that we are dealing here with a change in the pro-ration formula which affects severely the correlative rights of the producers in that pool as to which, by a great preponderance of operators, appeared both before the Commission and before this Court are in opposition to the 60-40 formula. When these operators are numbered in accordance with the wells that they operate in that pool.

After the 25-75 formula was promulgated the Basin-Dakota gas pool was developed very extensively. In the sixteen months between the time the 25-75 formula was promulgated and the filing of Colsolidated application to change that to a 60-40 formula, there were 372 wells drilled in the Basin-Dakota pool, all in reliance on the existing formula and without knowledge or anticipation a new formula would be promulgated. The application of Consolidated to change the 25-75 formula to a 60-40 formula was originally filed February 23, 1962, and on April 18, 1962 the original hearing on that application came on before the Oil Conservation Commission. After that original hearing and prior to the entry of an order on that hearing, the case which I am sure will be referred to as the Jelmat Decision, Continental Oil Company vs. Oil Conservation Commission, 73 N.M. 310, was handed down by the Supreme Court of New Mexico. As the Court is aware, this was the first case in which an appeal from the Oil Conservation Commission of New Mexico reached the Supreme Court, and was decided by the Supreme Court; so for the first time there was outlined for the benefit and assistance of the Commission the standards which the Court felt the Statutes of New Mexico required to be observed in order to retain a proration order. I have heard it said by various personnel of the Commission at various times while the industry has taken a lot of satisfaction in the fact we produced oil thirty years before a case got to the Supreme Court, that was a tribute to the Commission, but it also left the Commission without any guide lines as to the action it was taking from day to day.

On May 16, 1962 the Jelmat decision came down, and the

Supreme Court held in that case that the change in the pro-ration formula in the Jelmat pool of Southeastern New Mexico did not meet the conditions of the Statute, and that the new order was declared to be void. Subsequent to the time that decision came down, Consolidated's application was denied by the Commission. Consolidated then applied for a re-hearing, and on July 7, 1962 a re-hearing was granted and the Order of the Commission granting that re-hearing, which was R-2259-A, limited the evidence as to the reserves underlying the tracts in the Basin-Dakota pool and the Basin-Dakota pool as a whole. That, then, was the occasion for the re-hearing in which most of the testimony in issue in this present case was presented. Re-hearing occurred on February 4, 1963, and on July 9, 1963, Order No. 2259-B of the Commission, which is here under review, was promulgated changing the existing formula from 25% acreage and 75% acreage times deliverability, to 60% acreage and 30% acreage times deliverability.

The Petitioners, on July 26th, applied for re-hearing and an application for hearing was denied August 1st, and Petition filed here on August 20th, and Petition filed in San Juan County on August 22nd. This is the case which is before the Court for decision, and chronology by which it has arrived here. An order of the Commission, which is under attack, will have changed the pro-ration formula to the so-called 60-40 formula had attached to the Exhibit A in which all the 699 non-marginal wells then in the pool were listed, with various information as to the wells on the basis of testimony which has been presented at the hearing.

We have as a visual aid enlarged the first page of Exhibit A, and have it here for reference for use by counsel in referring to the various columns for the assistance of the Court. Because Exhibit A is the subject of a great deal of controversy in this case as to the validity of the conclusions which are reached there as to the effect by them, it will be well in the introductory portion of the argument to go through and outline what is actually shown in the various columns in this Exhibit, which is a part of the order changing the formula and which is actually a basis of the Commission changing the formula. In other words, the Commission said because of what the Exhibit shows in these A/R factor columns, "we are going to change the formula". As it is rather apparent, this is a product of modern technology. It occurred to me that this case might be sub-titled "Automation vs. Correlative Rights". In any event, on this tabulation there is mentioned first the operator and under the operator the wells operated. Then in the first column, Column A and AF, and Af refers to the acreage factor of each well and the acreage factor is merely how the tract assigned to that well relates to the 320 acre standard operation unit that the Commission had promulgated. So if a tract had 320 acres attributable to a well, the acreage factor is 100 or one; if it had less than 320 acres attributed to it, it would be placed on less the first well, which is 92, and if it had more that 320 acres attributable to it, it would have more than 100 acreage factor. In the Brief of Petitioners filed with the Court there was a line omitted in our discussion of this column

which caused it not to make sense in this factor, but in any event, as I have described it in Column A. Column B is the daily deliverability of the wells listed. That deliverability is determined by a deliverability point which is made under the direction of the Oil Conservation Commission in New Mexico, and is the amount of gas in thousands of cubic feet that a well can produce under conditions promulgated by the Commission and be applicable in a sense - the deliverability of a gas well can be said to be somewhat synonymous of the potential of an oil well, it indicates what that well can do.

Column C is tract reserves in millions of cubic feet, and this is a very vital column in consideration of this Order. That is as determined by the Commission on the basis of the testimony and Exhibit of Consolidated, the amount of recoverable gas in place which the Commission finds to be under the tract assigned to each one of these wells. I hasten to point out that that is not the amount of recoverable gas in place which can be produced without waste, it is the total tract reserve, the total recoverable gas in place under each of these tracts. Obviously the correlative rights of a tract owner in any pool are measured under the Statute by the amount of recoverable gas in place under his tract which can be produced without waste, and it is the relationship of gas under his tract to all of the gas in the pool, which provides the percentage of the formula of the allocation of gas allowable which he is entitled to receive - to use an example - if a man had ten percent of the reserves in the pool and got ten percent of the

allowable, he would produce his part of the recoverable gas in the pool disregarding the waste, and there would be a producing allocation of the formula under Column C was intended by the Commission to indicate the extent of the rights of the operator, as we will develop in the argument, and as we developed in the brief. We feel it was in the use of this tract that the Commission fell into fatal error in promulgating this order, because of the fact that gas reserves of the tracts for the recoverable gas in place under the tract in toto, and not the recoverable gas in place under the tract that can be produced without waste. I pointed it out so the significance of tract will be apparent.

Column D is percentage of pool reserves that shows what percentage these tract reserves of each well bear to the total reserves of the entire pool. In other words, when they got Tract C finished, they just added up that total and let the computer divide that into the reserves of each individual tract, into the total for the whole pool and came up with a percentage each tract had of the total recoverable gas in the pool. Then we come over to the situation of two columns each, which is the basis of the decision that the Commission reached. It applied the factors it had gotten through its computer operation to the 25-75 formula and the 60-40 formula and came up with the conclusion on the basis of these figures the 60-40 formula was better than the 25-75 formula. Lets refer first to the 60-40 formula, because that is the formula that is an

issue in this case, and we will look at the columns on the basis on which it was promulgated. This is the allowable on which each of the wells listed and received in December, 1962, as an allowable that was indicated to Basin-Dakota pool for that month, were divided on a 60-40 formula. Column I is the percentage of the endorsed pool allowable which this figure amounts to, they again added up the total of the allowable of all the wells in millions or thousands of cubic feet of gas and divided each well's portion into the total, to come up with the percentage of the pool allowable that well would get on the basis of December 1, 1962 - that well would get. It wasn't tested against any other month's allocation, but against this single month's allocation.

Finally, Column J, which is an A/R factor that is arrived at on a basis of a comparison of these figures, it is a comparison of the allowable which this well gets under a 60-40 formula to the reserves which was found over here in Column C, that that well had under it. I said awhile ago if you had 10% of the reserves and got 10% of the allowable you would have a perfect pro-ration formula, and if that happens you would have a 0.0 factor because the percentage allowable and the allowable and what the pool as a whole would be identical. They made that comparison here to see if all the figures in this column were 0.0 - you would have a perfect pro-ration figure. The man with 10% of the reserves under

his tract would be getting 10% of the allowable. Actually the figures start out at 2.09, which would indicate that this well is getting twice as much as it is allowed on the basis of the Commission's allowable. This one is getting one-fifth less than it is allowed to have according to the Commission's finding, the next one over half as much and the next one over one and one-half times as much, and here is one getting 4.45, almost four and one-half thes of the amount it is allowed under this 60-40 pro-ration formula. The Commission, in arriving at a final decision, did the same thing to the 25-75, took December 21, 1962 and made this column to show the amount of allowable it would receive under 25-75 formula - Column F to show the total percentage of pool allowable that would amount to, and this Column G for the 25-75 formula or how the percentage of allowable compares with what the Commission finds in Column C and it will be noted it likewise has variations on this page, which go from 14 to 3 to 7. Now it was - - the Commission then said, "Well, since an A/R Factor, or one which gave us a fair percentage of allowable of reserves, for proof we will compare 60-40 and 25-75 formula and which one of them has more wells close to one has the best formula", and they did that and came up with the fact that slightly more than one-half of the wells in the pool would be in the acceptable tolerance of one, and on that basis promulgated the new order - I should mean acceptable tolerance - there was testimony

they thought because of variations or interpretations of information that these were not absolutes and there had to be some margin for error there, and they thought a reasonable tolerance was from 70 to 130, that is 30% below or 30% above was acceptable. So they grouped these wells between 70 and 130 and came up with this conclusion slightly over one half of the wells in the pool fell in there and that was the best formula. We will show in due course in this argument why that is a fallacious conclusion, and as we see it, results in an abuse of correlative rights and not validity of the order.

In the course of the hearing before the Commission there was a great deal of testimony presented by the Respondent, Consolidated, in which they undertook to arrive at what the reserves in this column C, this critical column I mentioned awhile ago - they undertook to arrive at what those figures were and introduced them in evidence in Consolidated's Exhibit 4 before the Commission, and the Commission accepted them verbatim, and these are actually the figures, what Consolidated worked up as to the reserves in the pool were, not what could be produced without waste, but total replacement of gas under the tract.

Now, the testimony on which that was arrived at will be discussed in detail in the course of the argument, but I think I should mention, as we did in our preliminary statement and in the Petitioners' brief, that this was arrived

at by Consolidated without having done any original work of its own to determine the actual reserves under these tracts. There are two means by which engineers undertake to calculate the amount of recoverable gas under a particular tract in a pool, the first is called Volumetric Method, and it certainly, in our opinion, is for these purposes the only acceptable method, and that is the study of the actual amount of the thickness of the producing horizon under that tract, the permeability, well porosity, the space there is for the gas to accumulate and how it moves through the formation and the water in the formation, and how it takes up space the gas cannot occupy, all in the course of locations on the lease; and on the basis of that they compute the actual amount of gas under the tracts in the pool; and the other means is called Extrapulator, or a decline curve. In that action they take plotting paper and on the vertical they put the pressure at which the well produced, and they start up here with the pressure that that gas well had at the time production originally began, and they run out here the volumes of gas the well produced, and as the well produced gas the pressure declines, so they plot here in a series of points what the pressure was at the time this amount had been produced and at the time this amount had been, and that curve goes down - and lets say on January 1, 1964 that will denote how much more gas is going through by producing and they extrapulate or extend

the curve and say that is the amount of gas which will be produced from this well. Same as those calculations offered by Consolidated. I should also mention the fact that the testimony before the Commission - the El Paso Natural Gas Company, which is the principal in this pool, they conduct a continuing study of the gas reserve in the pool, has to constantly provide the Federal Power Commission as to its reserves and support its right for a line or additional line and satisfy them it has a reserve to meet their demands - the testimony of El Paso was they conducted a continuing study for that purpose but it was made not to determine the amount of gas under any individual tract, but merely so they would be informed as to the amount of gas in the pool as a whole, and for that purpose instead of studying the pool tract by tract they study it township by township, on the basis of their volumetric studies as to the gas that can be attributed to that township. That was the basis of the studies used to arrive at the reserve. It was the position of the Petitioners it wasn't prepared for that purpose, it was entirely illusionary insofar as it was to indicate the reserves under a particular tract, because sofar as El Paso is concerned if one tract is over and one is under that figure they will average out, so it does not make any difference to them sofar as individual tracts are concerned, and El Paso pointed that out, but nontheless all the calculations were made and on this order were

calculations made on that information. That is the information on which we have renewed the objection as to its admissibility and competence and which would support this order, and should not be admitted in evidence in this review proceeding. I should add that the information which El Paso had available at the time and was used by Consolidated for this purpose was out of date, there had been some over 200 wells drilled since these computations had been made, and the information provided by these additional 200 wells wasn't used by Consolidated and wasn't reflected in the studies which they presented to the Commission. They merely undertook to construct a contour map on the basis of the original information obtained and extended those contours across the areas on which wells had not been drilled, at the time El Paso's study was cut off. Then on the basis of the arbitrary contour lines to arrive at a basis in Column C, it is the contention of the Petitioners this does not constitute the Commission's order and that question will be further followed by Mr. Verity.

I believe with that preliminary statement, I will turn the rostrum over to Mr. Federici who will discuss the first two points for argument, which were submitted to the Court. Following that, Mr. Verity will discuss the points three and four , which were submitted and covered in the brief of Petitioners - Thank you very much, your Honor.

(RECESS)

MR. FEDERICI: May it please the Court - I will argue points 1 and 2 set forth in the Petitioners' brief, I will not recite the points at this time, and I may not argue them as set forth in the brief, but I will cover all substance of them in my argument.

The fact remains under this point that our contention that the order of the Oil Conservation Commission, the last one, R-2259-B, is invalid and void because the Commission failed to make a basic finding of jurisdictional fact required to be made by the Commission under the Statute and by our Supreme Court in decisions construing those Statutes. The order under attack changing the pro-ration formula, as Mr. Malone stated, from 25-75 to 60-40 - this order is valid only if the Oil Conservation Commission acted within its jurisdiction, and the Oil Conservation Commission acted within its jurisdiction only as it acted under those standards set up by the Statutes, as those standards have been interpreted by the Supreme Court in two cases which I will cite, and in particular the Jelmat case. The pertinent Statutes involved are 65-3-10 sub-paragraph (8) of the N.M.S.A. I will not quote the Statutes extensively, as the Supreme Court has intrepreted those Statutes on those cases and set forth plainly what they mean. Briefly, 65-3-10, in substance provides it is the duty of the Oil Conservation Commission to prevent waste and to protect correlative rights. All of these Statutes make the prevention of waste the paramount duty of the Commission. Under Section 65-3-14, certain standards are specifically set forth which must be

made and followed in pro-rating gas. First, under that Statute each owner must be given an opportunity to produce his fair and equitable share of the gas in the pool. That Statute also defines just and equitable shares as the proportion that the recoverable gas under each tract bears to the recoverable gas in the entire pool, as far as such can be practicably obtained without waste. Now, the New Mexico Supreme Court in the recent case decided in 1962, has determined the meaning of these statutes. It has interpreted them, it has clarified them, it has clearly delineated the duty of the Oil Conservation Commission in respect thereto, it set the standards which must be made by the Commission, otherwise, the order is invalid. It clearly stated what the findings must be, the findings that must be made by the Commission before they could issue an order changing the formula for pro-rating gas in any pool.

This first case is Continental Oil Company vs. Oil Conservation Commission, 70 N.M., 310; 353 Pac. 2d, 809. This is known as the Jalmat case because it involved the Jalmat gas pool. The situation in that case is similar and comparable to the case at bar and the Commission therein undertook to change the gas pro-ration formula after the wells had been drilled. The Court considered these facts of the Statute which I just mentioned to the Court and then measured the order changing the formula in that case against the standard set forth in those Statutes. The Court held that the Oil Conservation Commission not only must meet statutory requirements

in order to effect a valid change in the allocation formula, but also the Supreme Court said that the Oil Conservation Commission order must show affirmatively that this has been done. That is exactly what the Commission has failed to do in this case, the order of the Commission does not affirmatively show that it has met the standards set forth by the Statutes, set forth by the Supreme Court. Therefore, the case was held invalid since the Oil Conservation Commission failed to meet the basic findings. Now, what are the basic findings - first of all, I will quote briefly with reference to 65-3-10, page 318 of the Report, "The Oil Conservation Commission is a creature of statute, expressly defined, limited and empowered by the laws creating it. The Commission has jurisdiction over matters related to the conservation of oil and gas in New Mexico, but the basis of its powers is founded on the duty to prevent waste and to protect correlative rights." 65-14 (a), "The Commission was here concerned with a formula for computing allowables, which is obviously directly related to correlative rights. In order to protect correlative rights, it is incumbent upon the Commission to determine, 'so far as it is practical to do so,' certain foundationary matters, without which the correlative rights of the various owners cannot be ascertained. Therefore, the commission, by 'basic conclusions of fact', (or what might be termed 'findings'), must determine, insofar as practicable, (1) the amount of recoverable gas under each producer's tract; (2) the total amount of recoverable gas

in the pool; (3) the proportion that (1) bears to (2); and (4) what portion of the arrived at proportion can be recovered <u>without waste</u>. * * *."

What the Commission failed to do in this case is meet number 4. Now, lets take the Commission's order - they find in Finding No. 6, for example, that the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota gas pool, and shown in Column C, Tract Reserves, follow this Exhibit A attached to the order, and in Column C, shows the amount of recoverable gas under each producer's tract. So you have a column for that, we do not say that is supported by evidence, but they did make the finding. They do not say in that finding, however, that it can be produced without waste. Number 2, the total amount of recoverable gas in the pool - they made a finding with reference to that, in Finding No. 5, that the initial recoverable gas reserves in the Basin-Dakota gas pool known, approximately 2.255 trillion cubic feet, of which approximately 96 billion cubic feet is attributable to marginal wells which are permitted to produce at capacity so that would make a finding with reference to number 2, whether again it is supported by evidence, that is a question for argument, but they made the finding.

Then, in Finding No. 7, they arrived at what is required by No. 3, that the percent of the total pool reserves attributable to each non-marginal tract in the Basin-Dakota gas pool is as shown in Column D, percent of pool reserves in Exhibit A. So they take the figures in Column C which are tract

reserves, they have added them up and got their figure for No. 2, and in Column D they set forth the proportions that Column C bears to Column D, or in Column 1 and 2, and set forth in Column D; but where is the Column representing No. 4? A producer is not entitled to receive this portion, he is only entitled to receive that portion of this proportion which can be recovered without waste.

Now, the Commission in this Exhibit needed another column, and which would have to meet the requirements of the Supreme Court decision, should have placed another column here showing what this figure would be and then computed for comparison shown in the last six columns. Now, why the Commission did not do it I don't think is a matter for consideration. No one questioned the intellignece or capability of the Staff of the Commission or the Commission. They didn't make that finding because there wasn't any evidence on which they could sustain it, so they left it, and having done so the error is fatal, it is jurisdictional, and the order is completely invalid and void. Also, as you do not have the proper column in here in Exhibit A, then the results they show here are fallacious because they are not based on the proper column which was eliminated in this Exhibit. They are based on the proper figures - in other words a producer is not entitled to receive this, he is only entitled to receive this - No. 4. What portions of the arrived at proportions can be recovered without waste. I would like the Court to bear in mind that the Supreme Court

would like the Court to bear in mind that the Supreme Court

said that the Commission must make such a finding and there isn't such a finding in the order. In fact the Commission didn't make such a finding ever, insofar as is practicable, which the Court was talking about in its opinion. Nowhere in the briefs of the Respondents do they state that such a finding has been made.

The Respondent, Consolidated Oil and Gas Company, in its brief, on page 10, falls in the exact error that the Commission fell into. Their citation of the Jalmat case, the Respondent introduced the situation, found these requirements and then says this - on page 11 of the brief: In the instant case this is exactly what the Commission has done in its Order No. R-2259-B, in its side number 5 the Commission found the acreage recoverable gas reserves in the Dakota gas pool were so much. In column 6 and column 7 the Commission found, under Exhibit A attached to the order the recoverable gas underlying each marginal tract and the recoverable gas reserves underlying each non-marginal tract and the percent underlying each non-marginal tract, and they found C, and added C and found number 2, and that difference as against the total recoverable gas, and come up with number 3, the proportion, and set forth in D and says this is exactly what the Jalmat decision would require the Commission to do, which is in error. You have got to determine what part - portion of the arrived at proportion can be recovered without waste and then make a recovery for that.

The brief, likewise, on page 19 of their brief the Commission states "In Finding No. 5, the Commission insofar as

practicable determined the total amount of recoverable gas in the pool they would take, and in Finding No. 7 determined the proportion that the recoverable gas under each tract bears to the recoverable gas in the pool, that is D - we don't quarrel with that. "The Commission then determined the portion of arrived at proportion that could be recovered without waste". Where is the finding, certainly there is no such finding - in other words no Finding No. 4, as shown and required in the Jalmat case.

If it please the Court, it seems quite clear under the Jalmat decision the order of the Commission is invalid and void for failure on the part of the Commission to make a finding, which is No. 4, what portion of the arrived at proportion can be recovered without waste - they did not show in their Exhibit A attached to the order, it does not appear in the findings in that - it does not appear in the findings at all. Now, I know that they try to justify it on the basis that there are other findings which mention waste and which mention correlative rights. Well, lets take a look at that, that does not satisfy that requirement at all. You are talking about correlative rights, not prevention of waste, but when the Court is talking about correlative rights they are talking about No. 4, and you have got to determine correlative rights first. Right in the same paragraph as the Court set forth these requirements, in the last sentence of this paragraph, the Court said this; "that the extent of the correlative rights must be

determined before the Commission can act to protect them is manifest". They are talking about No. 4, to arrive at proportions that can be recovered without waste, that is the rights to which the producer is entitled and you cannot arrive at that until you have made Finding No. 4, you cannot proceed further unless you have made Finding No. 4. The Commission says "we protect correlative rights" but you cannot arrive at a formula until you have arrived at No. 4, which is the extent of the correlative rights the Commission should protect.

Now, again, with reference to correlative rights, and the statement by the Court in its opinion, the Statutes also have a definition of correlative rights, 65-3-29 (h): "Correlative Rights" means the opportunity afforded, sofar as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, * * * * *" That Statute only must be read in the light of the opinion which interprets the particular Statutes, so when we are talking about correlative rights we are talking about Jalmat No. 4 requirement and not Jalmat No. 3 requirement. It is obvious that the Commission has not found the extent of each owner's correlative rights and yet has proposed and set forth a formula without first having determined Jalmat No. 4, which is what the correlative rights would be, so, if they hadn't found that to start with, then the use of the term correlative rights in subsequent

findings Numbers 13 and 14 are meaningless and without foundation.

In Finding No. 13, the Commission says that correlative rights are not being adequately protected by the 25-75 formula, but it does not say anything about the protection under the 60-40 formula. They couldn't so find because they hadn't found what the producers' rights were in the first instance, so the same error is found in Finding No. 14, the term "Correlative Rights" is used but it could not be properly used in that particular finding because the correlative rights of each producer had never been determined in this order. The Commission cannot determine one formula will more adequately protect correlative rights unless it has first determined what those correlative rights are, which it has not done. And also if the Court will note that Finding No. 14, the statement there at the end of the finding that the new formula will more adequately protect correlative rights, will prevent waste, and followed by this language "but permit more wells to receive their adequate and just rights in the pool, insofar as can be determined". This has nothing to do with the waste, the fact that more wells receive more than their share has nothing to do with their finding that that portion can be produced without waste.

Now, in the Jalmat case the Court recognized the duty of the Oil Conservation Commission to protect correlative rights and to prevent waste, but it stated the prevention of waste was the paramount thing and that the extent therein and the protection

of correlative rights must first be determined, but the Commission was to protect them.

Sims vs. Mechem, which is the other case the Supreme Court decided, which states the rules involved that case involved - 72 N. M. 186; 382 Pac. 2nd 183, the Court did rely heavily on the Jalmat case and stated the decision must be predicated on the prevention of waste, and state, "We conclude the Commission's Order R-1310 contains no finding as to the estimation of waste or that pooling would prevent waste. The Commission was without jurisdiction to enter Order R-1310 and the order is void". We do not take exception to the right of the Commission to change formulas if they change them in accordance with the standard set up in the Statutes and as those standards have been interpreted, clarified and set forth by the Supreme Court, in the opinions which I have cited to the Court, so that as a conclusion, the Jalmat decision requires the Commission first determine the extent of the correlative rights before attempting to protect them, and in order for the Commission to determine the extent of the correlative rights, the Commission must find and determine the extent to Jalmat No. 4, that the Commission must determine what portion of the arrived at proportion can be arrived at. The Commission has failed to determine what the correlative rights were, and further failed to find they can be protected without waste. The Order is nil and void and cannot enter its order in R-2259-B - I have stated to the Court basically the first

argument was on the proposition that the Order of the Commission was invalid and void because it failed to make a jurisdictional finding, which must be made in the order before it is valid. They never did make Finding No. 4, and I think that point itself, if the Court concludes they have not made such a finding, which they did not, resolves the case favorable to the Petitioners.

ARGUMENT BY MR. VERITY:

May it please the Court - Mr. Federici has demonstrated to you that the Commision's order is invalid because it is inadequate in that there is no finding with regards to waste. My portion of this argument which has been presented to you in the prepared written brief under Points 3 and 4, I propose to show the Court that the Commission order in its findings affirmatively demonstrated that it was contrary to the same Statutes Mr. Federici was talking about, that they make affirmative findings, they show that they have not allocated and given to each tract and each tract owner his pro-rata share of the pool reserves. They make an affirmative finding to show they have violated the correlative rights and that they have not represented that they are protecting each owner's correlative rights, but rather they are endeavoring to protect more owners' rights than they might otherwise do; secondly, I would like to discuss with the Court a little bit some of the evidence taken by the Commission which is inadmissible evidence, and that such evidence, even though admitted, did

not substantially support the findings of the order with regard to our first point. On the first point I mentioned, and want to argue, it is three-fold - the findings of the Commission that they violate the Statute and don't give each one his pro-rata share the energy to produce reserves, and that they violated correlative rights and the order declares factors with regard to pool reserves are unreliable and elsewhere uses such pool reserves to arrive at the 60-40 formula, that the order comes up with. I would like to read all of 65-3-14 of the N.M.S.A., it is headed "EQUITABLE ALLOCATION OF ALLOWABLE PRODUCTION - POOLING - SPACING. - (a)The rules, regulations or orders of the Commission shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practicably obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas or both in the pool, and for this purpose to use his just and equitable share of the reservoir energy.

(b) The commission may establish a proration unit for each pool, such being the area that can be efficiently and economically drained and developed by (1) well, and in so doing the commission shall consider the economic loss caused by the drilling of unnecessary wells, the protection of correlative rights, including those of royalty owners, the prevention of waste, the avoid-

ance of the augmentation of risks arising from the drilling of an excessive number of wells, and the prevention of reduced recovery which might result from the drilling of too few wells.

(c) The pooling of properties or parts thereof shall be permitted, and, if not agreed upon, may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of a uniform spacing plan or proration unit, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover his just and equitable share of the crude petroleum or natural gas, or both, in the pool; Provided, that the owner of any tract that is smaller than the drilling unit established for the field, shall not be deprived of the right to drill on and produce from such tract, if same can be done without waste; but in such case, the allowable production from such tract, as compared with the allowable production from such tract, as compared with the allowable production therefrom if such tract were a full unit, shall be in ratio of ~~the~~ area of such tract to the area of a full unit. All orders requiring such pooling shall be upon terms and conditions that are just and reasonable, and will afford to the owner of each tract in the pool the opportunity to recover or receive his just and equitable share of the oil or gas, or both, in the pool as above provided, so far as may be practicably recovered without waste. In the event such pooling is required, the costs of development and operation of the pooled unit shall be limited to the lowest actual expenditures required for such purpose including a reasonable charge for supervision; and in

case of any dispute as to such costs, the Commission shall determine the proper costs.

(d) Minimum allowable for some wells may be advisable from time to time, especially with respect to wells already drilled when this act takes effect, to the end that the production will repay reasonable lifting cost and thus prevent premature abandonment and resulting waste.

(e) Whenever it appears that the owners in any pool have agreed upon a plan for the spacing of wells, or upon a plan or method of distribution of any allowable fixed by the commission for the pool, or which plan, in the judgment of the commission, has the effect of preventing waste as prohibited by this act and is fair to the royalty owners in such pool, then such plan shall be adopted by the commission with respect to such pool; however, the commission, upon hearing and after notice, may subsequently modify any such plan to the extent necessary to prevent waste as prohibited by this act.

(f) After the effective date of any rule, regulation or order fixing the allowable production, no person shall produce more than the allowable production applicable to him, his wells, leases or properties determined as in this act provided, and the allowable production shall be produced in accordance with the applicable rules, regulations or orders."

Your Honor, all in the world that is saying is that each one in the pool has got to be given the right to produce his pro-rata share of what the whole pool is, in other words, it says each owner must be given his constitutional guaranteed

right to produce his own property and you can't liquidate it or take it away from him, and the Statute would not be valid if it did not have such a provision, and it does have it, and the Court has told the Commission it must follow this Statute;in the Jalmat case they pointed out this Statute, then they cited the United States Supreme Court cases and quoted from them, and I would like to quote briefly - to read this same quote the Supreme Court quote in Jalmat, from the Supreme Court in Opp Cotton Mills vs. Administrator:

"The essentials of the legislative function are the determination of the legislative policy and its formulation as a rule of conduct. These essentials are preserved when Congress (in this case the Legislature) specifies the basic conclusions of fact upon ascertainment of which, from relevant data by a designated administrative agency, it ordains that its statutory demand is to be effective."

That is what this Statute says, that is what the Supreme Court says, the Commission must do; so that the Supreme Court in the Jalmat case said, "The Oil Conservation Commission is a creature of Statute, expressly defined,limited and empowered by the laws creating it", and it went on to say it must make these jurisdicitonal findings of fact and must be in the Statute.

I refer particularly to findings 10, 11 and 14.

Number 10, "That in the Basin-Dakota gas pool there is no direct correlation between deliverability and reserves, or acreage and reserves, and that, therefore, neither should be used as the sole criterion for distributing the total pool allowable

among the tracts." That saying in itself might be all right if they did not turn right back around and show they were not giving each tract its pro-rata share of allowable.

In Finding No. 11, after finding deliverability and acreage from the proper criteria, they say: "That the most reasonable basis for allocating production in the Basin-Dakota gas pool is to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, said relationship hereinafter referred to as the tract's A/R Factor of 1.0, or with a tract A/R Factor of from 0.7 to 1.3, which, due to inherent variance in interpreting and computing reserves, is within a reasonable tolerance."

What they have now said is that each tract is not going to be given its pro-rata share of pool reserves which the Statute said they must do, and the Jalmat case said they must do, but they say, "We are going to find an arbitrary figure of 70 to 130". I suppose the reason the Commission used 70 to 130 is because Consolidated said that was going to be all right. If they got 70% of what they were entitled to. Petitioners do not agree if they get 70% that is all right. Petitioners do not agree that it is adequate if they are given 70% of their pro-rata share for a tract, of what they are entitled to, and Petitioners do not agree the formula is all right if they are given 130%. We think the Statute says each tract is entitled to his pro-rata share insofar as it is practicable and can be determined, and insofar as it can be given, but inasmuch as

this order has set up this arbitrary 70 to 130 percent and said this is the standard into which it falls, it is all right. Lets look and see what it does, and Petitioners have prepared an aid to the Court that shows in a barograph on the left the number of wells that fall within this arbitrary factor of 70 to 130 percent, and you will see those 352 wells in the red, and on the green, right beside it you would have to put a straight edge to see there are any difference in the two. There are almost as many wells outside the 70 to 130 arbitrary factor as in it, being 347 outside. In other words the Commission in its order (and borne out by Exhibit A to the order) has set up the 70 to 130 percent arbitrary factor, then there are only half of the wells that matter not on arbitrary standard - for the sake of argument we agree it is adequate if you get 70% of what you are entitled to - turning to Exhibit A of the Commission's Order, lets look at the very first page on the first well it comes out 209% of what it is entitled to under the 60-40 formula that they promulgated and they say is proper under the Statute, and we come to a well for Bayview Oil Corporation and it only gets 20% and we submit each of these tracts is within this pool and each tract comes within the language of the Statute which says each each tract is entitled to its pro-rata share, and this affirmatively demonstrates the order is outside the Statutes and that they did not come up with the Statutes which is what the case required.
Next, these two findings 10 and 11, they were to go with

finding No. 14, again affirmatively demonstrate that the Commission has not protected the correlative rights of the parties in the pool. Let me read the statute with regard to correlative rights and see what it is they are supposed to do: 65-3-10 N.M.S.A. provides - "The commission is hereby empowered, and it is its duty, to prevent waste prohibited by this act and to protect correlative rights, as in this act provided. * * * *." Reading only a part of that statute, then turning to where this act provides the protection of correlative rights, 65-3-29(h) - will have divided them with this language: "Correlative rights' means the opportunity afforded, so far as is practicable to do so, to the owner of each property (again we are talking about each property) in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practicably determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for such purpose to use his just and equitable share of the reservoir energy."

And what this says again, your Honor, isn't how the fact that it is emphasized in the law again and again. The Legislature says the Commission give each individual his pro-rata share of the pool and that you not only violate the Statute, it says the Commission violates his correlative rights if you

don't do this.

Well, lets turn to Finding No. 14 and see what the Commission did - in Finding No. 14, I quote: "Based upon the December, 1962, pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will prevent waste (or protect correlative rights) by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined."

We submit that that finding, and the last half of it makes a record in this order that it does not follow the Statute, that they have never had correlative rights, and to the man who gets 60% of what he is entitled to he is not one of the more, he is one of the last, and that this order is invalid. Almost as many are outside the 130% factor as they are in it, and 352 wells fall within this arbitrary figure and 347 outside. Three-hundred forty-seven rights are invaded, even if we grant - which we do not - that 70% protection is adequate protection.

The Commission, in Finding No. 8, has declared that it is impracticable to allocate production solely on the basis of percentage of pool reserves due to the continuous fluctuation in reserve computations resulting from new completions

in the pool and re-evaluation of reserves of existing wells.

Now, your Honor, Petitioners can sympathize with the problems the Commission has, and we sympathize with the problem pro-ration is not a simple matter, and we can also sympathize with the problems that Consolidated has a lot of wells, they have got a lot of acreage, and we understand why they would urge upon the Commission that this be a 60% acreage, which has got nothing whatsoever to do with reserves, and under 40% acreage to deliverability, which is proportionate of the reserves, but this does not mean the order becomes proper or valid. If you sympathize with those people and endeavor to write an order that will help them, neither does the fact that a difficult problem mean the Commission can grope outside of the law for an order which they feel is proper and reasonable, and as previous counsel have pointed to you, as I understand and appreciate that the Commission was striving and trying to come up with an order that would do what is equitable, but it so happens this is a prerogative of Legislature and Supreme Court, as to the proper method that they go about making an order and allocating production, and the fact that they have a difficult problem does not justify them going outside the rules and make an order for more wells. It is contrary to the Statute and to law and to the 14th Amendment of the United States Constitution, which is the reason for the Statute in the Jalmat case, and was a

most similar situation because the Commission had an order in force and someone did not like it, they were on the end, like Consolidated finds itself with very good wells, possibly, so the Commission set aside this order and promulgated a new order, and in the new order they did not follow the Statute, and they had some language in that order which the Supreme Court struck down. In the Jalmat case that was very similar to this finding; referring to the Commission's Finding No. 5 which is to the effect that the new formula will result "more equitable allocation" of the gas production in said pool than under the present gas pro-ration formula. We do not believe it is a substitute for or the equivalent of a finding that the present gas pro-ration formula does not protect correlative rights.

In that order they said more adequate application, and here they say more adequately protect more wells. The same language applies to each finding and there is more than one conclusion that the order violates correlative rights. Now, your Honor, the Court has the finding in Finding No. 8 that the two factors were not reliable, they then used these factors in Exhibit No. 8 in coming up with the 60-40 formula, and making a comparison between 60-40 and 25-75, and we submit the Commission cannot be on both sides of the point, and we believe that this affirmatively demonstrates that the order is contrary to the Statute.

Turning now to Point No. 4, which has to do with the evidence that the Commission heard in this case, whether

or not it is admissible and whether or not, even if it is admissible, it is substantially able to support the findings of the order. Mr. Malone went through in some detail with you the nature of the evidence presented, and in going briefly over this same thing I would like to read some excerpts from the transcript of testimony which we believe this testimony is inadmissible. The record will show this, your Honor. We pointed out in our brief that Consolidated's case, and the only testimony in this case with regard to reserves at all, the C and D Columns, that they came up with in Exhibit A - the only evidence at all with regard to these points and on which the Commission could make those findings, came from Consolidated's witness and this evidence that appeared wasn't evidence where he had gone and examined the records with regards to each tract and come up with a conclusion and proper expert opinion testimony and deductions as to what the reserves are under each tract. Rather, what took place was this - they subpoenaed work papers that El Paso Natural Gas Engineers had made and then used these work papers as though there was no question about their authenticity, no question about their propriety, in order to come up with the tract reserve factor that is in Columns C and D.

Now, we submit that this is purely hearsay testimony because what they have done is repeat in court - before the Commission, what someone else concluded, outside the Court.

Now, it so happens, your Honor, and the record will so show this, because Mr. Dave Rainey testified in detail with regard to the figures and the work papers that they used which the El Paso Natural Gas Company engineer had come up with, were not designed for the purpose to which they termed it in making reserve determinations for each tract, rather, these figures were made so that El Paso would know what the reserves for the entire pool were and if they had used for Finding No. 5 concerning reserves in the entire pool it might be admissible and it might be substantial evidence to prove that, but for proving individual tract reserves it isn't so designed and it wasn't so reliable.

Here is the way it is arrived at, they took townships and calculated from wells available therein for the over-all average in township data concerning pressures, interspacial water, gas analysis and various other factors that they needed. These are the average use to each well on the basis of the thickness of the Basin-Dakota sand in that well. That was the only factor that they had from this particular well, so what they were endeavoring to do was to come up with the township reserve, and for this purpose was adequate, but to take and say it represents evidence as to the tract reserve under each tract, it wasn't admissible, it was hearsay and improper herasay. When you traced it back to what it really meant - let me read from page 14 of the transcript of the hearing - This is testimony by Mr. Trueblood:

Question: (By Mr. Stockmar) "Mr. Trueblood, I hand you two tabulations. Will you identify them, please, for the record?

"A. This first tabulation is a group of eight pages which is a photocopy of the 460 wells which El Paso Natural Gas handed us in the previous hearing and later produced to the Commission, and which we made a copy of subsequent to the issuance of the subponeas.

"The second tabulation is one of numerous pages which has put the wells, has identified the wells by township that had appeared previously only by deliverability and reserves under the original eight pages of information previously referred to. These were delivered to the Oil and Gas Conservation Commission in response to the subponeas issued, and we then got a copy of them."

MR. VERITY: These are only work papers, something someone else had done, and the fact that they had been subponeaed did not make it proper evidence, and someone concluded from someone else's conclusion. We submit it wasn't proper evidence, and we further show it wasn't proper to take these papers and apply them to individual tracts.

Page 15 of the Transcript: (Mr. Trueblood) "This Exhibit is a breakdown of the wells which appeared in the El Paso Natural Gas review by township, with each well described and with the captions showing the initial deliverability of the wells, 1961 deliverability based on 1960 tests, the 1962 deliverabilities based on 1961 tests, the net feet of pay, the

number of acres in the unit, the acre feet of sand, the township recovery factor, the initial reserves in place, the cumulative production through December 31st or to January 1, 1962, and the then current reserve as of January 1, 1962."

MR. VERITY: This answer right here from Mr. Trueblood's testimony shows what I have said to the Commission or explains in detail Mr. Rainey's testimony, this was unreliable testimony to be admitted and it was improper to allocate and calculate tract reserves from it - Page 18 of the transcript -

Testimony by Mr. Trueblood: "All of the 460 wells which El Paso had on our Exhibit 2 were then plotted throughout the Basin. The Commission will notice that there's a great deal of empty void space yet to be developed in the field within the outline of this situation. However, we have for the most part mechanically contoured with an eye to the overall situation and an eye to the recovery factors that an engineer would normally expect to receive in this type of arrangement. From that point, we were able to construct or to pick reserves from this map as if the remaining missing wells in the December proration schedule had been done by El Paso Engineers."

MR. VERITY: And let me explain to you what he is apologizing for here. You will recall we had 352 plus 347 wells, whereas they only had 360 from the work papers of El Paso which were already out of date, so they wanted to come up with a tract factor, not have just these 460 wells, the wanted to also come set up for the other 249 - so did they go out and get these

locations from the wells and make a proper calculation of the reserves under each tract - no. "We just contoured it and examined each of the other 239 wells, added the reserve that had been calculated from the arbitrary line we drew, basing it on the best information closest to the unknown factor" - - and we submit this was inadmissible testimony. We submit it isn't substantial evidence also, but let me turn with some particularity to this evidence - and a little bit further analysis into the evidence also we might pass the point it isn't admissible, and we do admit it, and by some imagination say it is admissible; and counsel for respondents will tell you, I am sure, there were 58 wells we did not have accurate information on in this pool, of the 352 and 347, and we looked at these 58 wells and we checked the accuracy of this work paper and concluded it was correct, and the accuracy of the extrapulator of the other wells and we say there is still no substantial evidence to support the findings in this order, and particularly we would like to point out the information they had by the record and by the admission of Mr. Trueblood, at the time they were introducing it to the Commission. Page 199 of the transcript, Mr. Stockmar interrogating Mr. Trueblood:

"A. If the Commission please, first of all, in response to Mr. Rainey's testimony concerning the fact that his Exhibit No. R-1, if it were presented, would look like somebody shot it with some buckshot; so it just so happens that we have got our Exhibit No. 9, that purports to show the buckshot."

(On Page 199 and 200) "If the Commission please, Ben Howell on behalf of El Paso. Before this witness testifies, I would like to inquire as to the basis with which he grouped his wells within reserve groups. How did you determine that you put a particular well between the three billion and four billion?"

"A. Mr. Howell, this is a plot of every single well, 460 wells which we had information and access to, of El Paso. This is an actual plot."

"MR. HOWELL: Is it based upon the data which was furnished you in April?"

"A. It's based upon the data on your Exhibit No. 2, which I believe listed all the wells by township, the wells, the initial reserves, the initial deliverability; and this is a plot of initial deliverability and initial reserves for the 460 wells."

"MR. HOWELL: Based upon that April reserve study?"

"A. Yes, I presume that is correct."

"MR. HOWELL: Then El Paso moves to exclude this testimony because it is based upon evidence which the people who did the work, namely, El Paso, say is out of date, has been revised, and has been replaced by other and new estimates as to the reserves for the particular wells shown on there. We move to exclude testimony relating to such an exhibit."

MR. VERITY: Your Honor, you just cannot take the conclusion of someone else and turn it around and come to conclusions on the purpose for which it was designed in the first place.

you cannot take and use dead testimony and come up with what must be done in Columns C and D, and it was improper for the Commission to do it. In addition to this, the evidence presented to the Commission in support of the 60-40 formula makes a comparison which we say is fallacious, they compared initial reserves with current deliverability. They went back in El Paso's work papers and these were made on initial reserve calculations from back at the time the well started producing, and in order to make comparisons for the order they compare the most current deliverability with the initial reserve factor. This was incorrect and, as Petitioners' brief points out, we think this is like comparing an eight year old automobile with 70,000 miles, with one just off the floor, it is illusory, capricious and misleading the Commission into an improper and invalid order. Findings 10, 12 and 13 are all based on the improper comparison and illusory information.

We submit this evidence is not in support of the order, it does not support substantially Finding 14, and had the language "more adequately protected more correlative rights and prevented waste" and we would like to show to you there is no substantial evidence in this route that the 60-40 order will prevent waste. The only place where there is any language about the 60-40 order preventing waste at all was when Mr. Trueblood was asked the question - "whether or not the non-development of the Basin-Dakota pool would result in waste".

At this point objection was interposed to the question as being improper because it supposed and implied that there was non-development, and the record showed no evidence of any non-development, so the question at that time was withdrawn and coulsel said he would come back to it later, but never did come back to it. You will find that in the transcript, Page 21 and 22. Never did come back to the testimony and there is no place in that record that this 60-40 formula will prevent waste.

Findings 15 and 16 regarding - Finding 15 refers to prevention of waste, to prevention of drainage, and Finding No. 16 providing the 60-40 formula will afford every tract owner to use his share of pool energy. At no place is there substantial evidence in the record that will support those findings. The only evidence with regard to this point was by Mr. Trueblood, Mr. , and Mr. Haseltine. To start Mr. Trueblood started (Page 27) - - -

MR. KELLY(Interrupting) Could we get a better reference, they are broken up into two hearings?

MR. VERITY: February 14, 1963 - rehearing.

"With this in mind, what we're asking for, mind you, is a 60-40; a 60-40 would leave something like this and still create drainage".

Elsewhere he said the percentage of deliverability in the formula should be not 60-40 but 25%.

Mr. Haselton;(Page 176 and 177) "I am certain in my own

to go to the 60-40 formula that is before the Commission is just a step in the right direction, it isn't far enough to be equitable, based on what I have seen in the Dakota pool, but how far we should go in that direction I just wouldn't try to say. Certainly farther than the 60-40."

And that is not stated in these points, on the contrary the evidence is against this, and the Petitioners' witness said just the contrary - one of the Petitioners' witnesses made this statement: "Under this formula the low reserve wells will deplete their reserves in about seven years, after which time they would recover in excess of the reserves properly equitable to the tract where they produce. In doing this correlative rights would be violated".

Your Honor we think we have shown to you that there are not proper findings of waste in this order, we further think we have shown you that this order in Findings 10, 11, 12, 13 and 14 affirmatively establish that they have deviated from the Statute in order to come up with something they felt was more adequate and we think the Commission heard testimony so that the entire case of Consolidated, which is the only evidence that the Commission had to make these findings in its order based on this inadmissible testimony, and even if we admitted the inadmissible testimony still it isn't substantially adequate to support the findings of the order. We believe there is only one conclusion that can come from this, and that is the order is invalid, and we respectfully

submit to the Court that the order is invalid.

One other thing, the previous order of this Commission is in here in controversy. We have got this order right here, that is the only one here in controversy, that is the only one in this Court - the 25-75 order was previously made whether or not it is valid or invalid is not now before this Court, and this again was exactly analogous to the Jalmat case and the Court there said; "We will have to assume until a proper attack is made that that order is valid". We submit this 60-40 order is definitely invalid for the reasons we have shown, and we request the Court to overrule it.

COURT: We will be in recess until 1:30 P.M.

1:30 P.M., March 5, 1964:

MR. SLOAN: Nothing further from Petitioners at this time, we would, of course, like rebuttal.

ARGUMENT OF RESPONDENTS

BY MR. BOOKER KELLY: May it please the Court. The point that I am going to argue is listed under Point 7 in the Commission and Sunray's brief, also joined by Consolidated. We are raising it first since it is a matter that does not go to the merits of the appeal and if our contention is correct, would dispose of the appeal. This is the argument that the Court does not have jurisdiction over the subject matter of of this action, as Petitioners have failed to join indispensable

parties. The Court will note from the style of the case the only Respondents, the Oil Conservation Commission and Colsolidated Oil and Gas, and five companies in all, so in effect in this suit has the six companies and something like 78 operators in the field, it is our contention that at least the operators in the field would be indispensable parties. The testimony on indispensable parties as set forth in New Mexico, and a very general one and one I can safely say is distinct from all other jurisdiction.

The first case set out this testimony is American Trust and Savings Bank vs. Scobee, 29 N.M.: "It is a general rule that all persons whose interest will necessarily be affected by any decree in a given case are necessary and indispensable parties and the Court will not proceed to a decree without them". This case has been cited in recent cases, 49 N.M., 292; State Game Commission vs. Tackett 71 N.M. 400, where this particular phraseology, where all persons who will necessarily be affected by any decree in a given case. The result of this has been a lack of jurisdiction in the Supreme Court which the Court held prohibited if from proceeding with the case.

I might bring out New Mexico is also unique in that it has eliminated the distinction between necessary and indispensable parties. A necessary party though a final decree will not affect their rights, the court cannot preceed without them, an indispensable party the Court loses jurisdiction.

The case of Sellman vs. Haddock eliminated this and ruled there is no difference between necessary and indispensable

parties.

Looking at this particular case, judging by the language of New Mexico cases on this point we see right off by Exhibit A the effect that this decision has had on every well in the pool of 699 wells. In fact the Petitioners here arguing shows us the Adobe Oil Company Well 2.09, they show this company was getting more than its share, in their argument it is getting less than their share, and you go down to Bayview Oil Corporation; counsel pointed out to the Court is only getting 2.6 and they do not raise these questions but they point out it is not getting its part. On every page they have pulled out companies that is not a party to the suit - not one oil company that is a party to the suit, looking at the Statute which covers appeals from the decision of the Oil Conservation Commission, I refer to 65-3-22, Section B of this reads: "Any party to such rehearing proceeding, dissatisfied with the disposition of the application for rehearing, may appeal therefrom to the district court of the county wherein is located any property of such party affected by the decision" * *

Then it goes on to say "Notice of such appeal shall be served upon the adverse party or parties and the Commission in the manner provided by summons in civil proceedings." It is important to note this does not give us any guide as to who must be a party. The fact that this is true and the Petitioners recognize this, is shown by their actions that both the Commission and Consolidated Oil and Gas Company how they decided to join thosetwo.

However they sent notice of appeal to those parties along with the operators who appeared in opposition. They did not consider notice of appeal was the same as joinder, as the requirement for joining parties, because they included some of the parties and left out others. It is certainly my contention this section does not give us any information as to who is a party, but we must rely on the common law of New Mexico for that. However, the Supreme Court of New Mexico, in a recent case, has given us, in case of State vs. W. S. Ranch Company, 69 N.M., 169. This case is startling in its implications for the present case. Either the State Engineer had attempted to enjoin a water user on Costilla Reservoir, claiming they had never properly appropriated the water. The Ranch Company raises as a defense the fac t that the State Engineer did not join on the other users on the River. The District Court dismissed the case, and on appeal the Supreme Court ruled all other users would be necessary and indispensable parties. The reason that the Court found the water users were necessary and indispensable parties was that any adjudication of the Ranch Company's water rights would necessarily mean more or less water to the users below. This is the exact situation we have here, any change in the formula will necessarily mean more or less gas to each well in the pool. The Petitioners might argue this is not the same situation since it isn't an appeal from an administrative agency, however, let me

refer the Court to Section 75-6-1: "Any applicant or other party dissatisfied with any decision, act or refusal to act of the state engineer may take an appeal to the district court of the county wherein such work, or point of desired appropriation, is situated; Provided, notice of such appeal shall be served by appellant upon the state engineer and all parties interested, * * * "

It is almost exactly the same language and I ask the Court if the Ranch Company had appeared under the Section as provided - this would be 75-5-1 - and claimed a right to use water and agreed to get a permit for the use of their water, and the state engineer had refused and the Ranch Company had been the one that appealed - certainly this is no different, the effect on other users would have been the same, the engineer could have raised points because the effect on other water users would be exactly the same, so I contend there can be no difference between the situation here for a given amount of water distributed by the users which might have been hundreds of miles long, and a gas pool which takes in a certain area. You have a certain amount of gas there to distribute among those operators. Certainly the Petitioners have stressed the importance to individual operators and have stressed how unfair it is to some and what a benefit it is to others. They cannot say these operators are not interested - we state it in the form of a Motion to ask the Court to dismiss the action for failure to bring in these indispensable parties. Thank you.

BY MR. J. M. DURRETT, JR.:

May it please the Court, your Honor, I would like to very briefly summarize for the Court's benefit the presentation that will be given here by points by the remainder of the Respondents to speak here today. I will discuss very briefly the question of burden of proof. We have noticed that the Commission has raised in its brief the fact they have not carried the burden of proof placed upon them. I will also discuss the necessity of specific findings concerning waste and the changing conditions. This was raised also by Consolidated and Mr. Kellahin, and discuss the production, that the order contains jurisdictional facts and findings which met the statutory requirements. I also will discuss the points raised in his brief that were not raised by the Commission, the failure to exhaust administrative remedy, and I will touch on the proposition of substantial evidence, and this will be covered by Mr. Stockmar. Mr. Stockmar, who also will discuss the necessity of the finding of waste and the fact that it is there.

My first point I would present to the Court today, or Point 1, that the order is prima facie valid and that the Petitioners have the burden of establishing that the action of the Commission was fraudulent, arbitrary or capricious, that the order wasn't supported by substantial evidence or that the Commission did not act within the scope of its authority in this case. I call the Court's attention to Section 65-3-22, N.M.S.A., 1953 Compilation, concerning rehearings and appeals

I quote from this Statute: " * * * The Commission action complained of shall be prima facie valid and the burden shall be upon the party or parties seeking review, to establish the invalidity of such action of the commission. * * *."

We respectfully state to the Court that this Statute specifically places the burden of proof in this case on the Petitioners. Of course as petitioners they always would have the burden of proof. We also would point to the Court that our Supreme Court has held on numerous occasions that it is necessary to show fraudulent, arbitraty or capricious, not supported by substantial evidence, or within the scope of authority, in order to overturn an administrative decision or order, and for this proposition we site to the Court Johnson vs. Sanchez, 67 N.M. 41, 1960 decision, and the Continental Oil Company vs. Oil Conservation Commission, 70 N.M., 310, 1962 decision. The Jalmat case that has been referred to here today, with the thought in mind that the Petitioners do have the burden and that the burden has to establish fraudulent, arbitrary or capricious, not supported by substantial evidence, and not within the scope of authority; I would like to call the Court's attention to the definition of some of these words. In Black's Law Dictionary, "fraudulent" is "based on fraud proceeding from or characterized by fraud". We submit to the Court that there is no allegation in this case of fraud, so they certainly have not carried their burden sofar as this, and their part of the burden is concerned.

Definition of arbitrary defines as "fixed or done capriciously or at pleasure". We submit to the Court that this is a synonym with capricious, and although capricious is not defined by Black, Webster defines it as "fantastic whim or fancy". We certainly submit to the Court that the Petitioners have not established this order as capricious, have not established it was arbitrary, and they certainly have not established it was fraudulent. Then, we come to the question of what are they left with, in order to carry their burden, and that is they must show the order is not supported by substantial evidence, or within the scope of authority of the Commission. They admit the Commission has authority to pro-rate the Basin-Dakota gas pool, and we call the Court's attention to their brief at Page 4, and they state the Commission does have the authority. Then they are left with the production, there is no substantial evidence, we submit to the Court, they have not carried the burden of proof in any manner of speaking, concerning a question of substantial evidence. They viciously attack the weight to be given to the evidence, but they do not show the Court that it isn't substantial. They contend El Paso did not believe their reserves were valid for the purpose that the Commission believed them to be valid, but there is testimony in the record that it was valid for the purpose, for the purpose used - the Commission chose to believe the testimony in the record. Their whole attack on direct purpose to this Court today has been to the weight to be given to the evidence, not to the proposition that there isn't substantial evidence in the record.

We submit to the Court they have not established the lack of substantial evidence and that they therefore have not carried their burden. We submit, in viewing the evidence discussed by the Petitioners and all reasonable inferences that must be drawn therefrom in the light most favorable to the validity of the order, which is a usual presumption that goes along with an attack against any administrative order, we submit in viewing the evidence as they have discussed in this light establishes that there was substantial evidence in the record. They themselves have mentioned the evidence although they say no weight should be given to it, the court should not believeit. On this basis we submit that they have not carried their burden, they have not overcome the presumption of the validity of the action and the Court must therefore dismiss the suit in connection with this.

I also would like to call the Court's attention to the weight to be given to the various arguments that the Petitioners have put before the Court here today, and their statement of the case. In their brief they state, and they have commented here today that they operate 283 wells and that the respondents operate 50 wells. They also state to the Court they have stated on direct that operators of 111 wells supported the change, operators of 442 opposed, and they also point out in their brief that there is approximately the same number of companies on each side. Now, apparently this discussion insinuates that this has more bearing on the case, the number

of operators on each side and the number of wells involved. The only apparent relevance I can see in this discussion is that some weight should be given to the arguments that they have presented to the Court in that "we can count more wells on our side than we can count on the other side". We submit this is completely irrelevant and has nothing to do with the merits of the case. We also submit in this connection if it is relevant in any manner that the Oil Conservation Commission issued the order here complained of today and that the Oil Conservation Commission is interested in every well in the Dakota gas pool, so we have all the wells on our side. I would like to point out to the Court that the indication is the real motives of the Petitioners might be as they purport them to be, they claim their correlative rights have been violated, that they have been discriminated against. We have also heard some mention there might be a constitutional question involved. Although that has not been mentioned in this case, they may be aggrieved, but we submit their real motives are not such as stated on the record. The proper wells receiving the allowable under the Commission's order in Exhibit A, indicates that each company involved here as a Petitioner has more wells receiving a proper share of the allowable under the 60-40 formula than they did under the 25-74 formula.

Just briefly I would state to the Court that a tabulation by merely counting the asterisks involved under each formula which establishes your 25-75 - El Paso had 53 wells receiving

their proper share under the new formula, they had 63; Pan American had 25 under the old formula, under the new formula they had 30; Marathon had no well receiving the proper allowance under either formula; Southwestern had 31 under 25-75, and 36 under the new formula; Sunset three under the old and six under the new; now we submit to the Court that this tabulation may certainly be used by the Court to show if they are aggrieved and may be an additional motive that has not been brought to the Court's attention, and I would like to state to the Court that a tabulation of volumes of gas going to each company under each formula considered here today establishes El Paso and Pan American will receive greater volumes of gas under the 60-40 than they received under the 25-75. Sofar as El Paso is concerned 15% can be calculated by just totalling the volumes of gas involved on the Exhibit. Now, we submit that the Court should keep this in mind when considering the weight to be given to their argument, consider whether they may have been aggrieved or there may be a hidden motive and some of these companies may be purchasers and want a higher deliverability, and submit this should be depressed because we are concerned with producers. I would like to turn to the point concerning a lack of specific finding of waste. It is our contention that a lack of specific finding of waste does not invalidate an allocation order, an order that establishes a new formula. Now, I am here speaking of a finding of waste wasoccurring under the old formula. I would like to state

at the outset of this presentation that apparently the Petitioners may have abandoned this argument that they raised specifically in their points to be relied upon, and if they have not abandoned it here this morning they certainly have indicated that they are not too strongly impressed with it as it has not even been mentioned, and I would like to state we are not impressed with his argument, you must have a specific finding that waste is occurring and in this connection I would like to point out to the Court the legislative nature of the Commission and the fact that its duties are delegated by the legislature, and as has been discussed earlier today, the Supreme Court in the Jalmat case commented on this by stating, "The Oil Conservation Commission is a creature of statute, operations defined and limited by the laws or powers creating it". We submit to the Court that the duties imposed on the Oil Conservation Commission are set out in the statute concerning allocation and production which is Section 65-3-13(c). This statute defines the duties that are imposed upon the Commission and it reads, "Whenever, to prevent waste, the total allowable natural gas production from gas wells producing from any pool in this state is fixed by the commission in an amount less than that which the pool could produce if no restrictions were imposed, the commission shall allocate a gas transportation facility upon a reasonable basis and recognizing correlative rights, * * *." Then it goes on to

state we shall include any well in the schedule, any well that is being discriminated against the statute - the Commission shall allocate on a reasonable basis and recognize correlative rights. It does not say that the Commission shall allocate to prevent waste, the statute says the Commission shall pro-rate to prevent waste.

Now, I would like to point out to the Court at this time that the Basin-Dakota pool and all pools in northwest New Mexico are pro-rated every six months by the Commission. The Commission pro-rates all of the pools, they determine market demand - they also determine market demand and pro-rate the pools every month by a supplemental order which is based upon supplemental findings that determines the amount of gas that can be produced from the pool without waste. We submit the only specific findings necessary to allocate production are as stated in the statute - reasonable and recognize correlative rights.

Now, I would like to also call the Court's attention to the Jalmat decision concerning this point. The Jalmat decision does not say that the Commission must find No. 4. We have heard all sorts of argument here this morning that the Jalmat decision says the Commission must find No. 4. We submit to the Court that is a very cursory reading of the Jalmat opinion. The Jalmat opinion says, "The Commission must determine the amount of gas" and for this I would quote

from the Jalmat decision: "Therefore the Commission by basic conclusions of fact or what might term findings must determine insofar as practicable * * *", the various things, 1, 2, 3, and 4, that have been discussed here today. The Jalmat decision does not say the Commission must find and write in its order what proportion can be arrived at without waste, it says the Commission must determine this. We submit to the Court the Commission did determine this, and it made the findings necessary and required by the Jalmat decision. The Petitioners have admitted here today in their argument that the 1, 2 and 3 required by the Jalmat decision have been met, they say "you did not make the 4th". We submit that the Commission did make No. 4. Four is the amount of gas for each specific well that is determined each month under pro-rating by applying the formula. We submit to the Court that it is absolutely impossible to set out a specific MCF, million cubic feet or thousand cubic feet for each well, that can be produced, without waste. Now, I call to the Court's attention that even this Exhibit A did not purport to set out the MCF of gas that can be produced this month. That is not even involved in this Exhitit A. Exhibit A concluded - the Commission concluded from Exhibit A that the most reasonable formula was 60-40, and made the findings necessary concerning waste and correlative rights in that order, and this gas allocation order. Of course the Commission did not make any specific finding concerning a specific well and the MCF that could be produced from it, because it was impossible for the Commission to do do so.

That has to be determined when the pool is pro-rated, the amount that can be produced without waste. First, the Commission determines the market demand for the pool, then it applies the formula it has found to be the best formula, in question here today, the application of this formula to the total gas in the pool results in a MCF allocation for each well, that is the amount that can be produced without waste. If one will produce one MCF more than it has been allocated under the formula then the market demand has been over-produced and waste has resulted, and we have a statute that specifically states production in excess of market demand is waste. I would also like to call attention to the Continental case that stated formal and elaborate findings are not necessary. Also, would like to call the Court's attention again to the presumption of the validity of the order in the Continental case. The Jalmat decision said, "Lacking such findings or their equivalent a supposedly valid order in current use cannot be replaced". If the Supreme Court did not mean to say "or the equivalent" then they certainly slipped because they said "lacking such findings or their equivalent" and we submit to the Court that the phrase "or their equivalent" wasn't just thrown in there. The Supreme Court knew what they were talking about, they were not trying to hold the Commission to a rigid standard. The Court indicated in the Jalmat case that you look at the Commission's order and see if they have the basic conclusions necessary after they made

the determination. That is what the Court stated. Now, as an alternative, we have submitted as one of our points, and we submit again to the Court that the order contains numerous findings of waste - I would like to call the Court's attention to Finding No. 11, which seeks out the most reasonable basis for allocating production, and this finding reads in part, as follows: "That the most reasonable basis for allocating production in the Basin-Dakota gas pool is to determine for each proposed formula the percentage of the total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves". And I will quit there because that has made the point I am talking about right at the instant, and that is where the Commission determined was the most reasonable basis for the 60-40 formula, the most reasonable basis for allocating production. And after the Commission found that is the most reasonable basis for allocating production standard, it is a necessary inference it will prevent waste - that is the 60-40 formula - insofar as practicable, and that this is the basis of the order. We submit to the Court that the necessary inference that attaches to every order that the Commission issues is that the order will prevent waste and certainly in a situation that we have today it will prevent waste, as we have found. The Commission has found at several places that waste will be prevented. Now, it would seem almost ludicrous to argue that the Commission that waste will be prevented by an order and

then allow an order that will allow waste. There are conditions in the order that waste will be prevented and that waste was occurring at that time. If there was no waste occurring there would be no ground upon which the Commission could have acted. Of course the Supreme Court said that in the Jalmat case. We call the Court's attention to Finding No. 14, which specifically states that the 60-40 formula will prevent waste - "the 60-40 formula will more adequately correct correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined". Now, if waste was to be prevented then it necessarily follows that waste was occurring. There was waste and the Commission acted to prevent it and this No. 14 even sets out the way it will prevent waste - by permitting more wells to receive their just and equitable share of the gas. Now, there is testimony in the record which I do not propose to cover specifically because it will be covered later on by co-counsel. There is ample testimony in the record to support the conclusion that by allowing the wells to receive their allowable will prevent waste, there is testimony in the record that will support the finding, and the testimony is to the effect that allowing some wells to recieve more than their fair share of the gas in the pool causes premature abandonment of wells and non-development of tracts. Mr. Trueblood testified to this pages 26 through 30 in the transcript of the first hearing, and it was also testified to

by several other witnesses directly and indirectly, and this will be covered later. At any rate, we submit to the Court that it is a valid point, that permitting more wells to receive their just and equitable share of the gas necessarily prevents waste. In this connection I would also call the Court's attention to Finding No. 15 which specifically says the 70-40 formula will prevent drainage. There is some testimony in the record, as I spoke of earlier, that this prevents drainage, and drainage is waste.

Also, Finding No. 16 as to the just and equitable shares of reservoir energy. This finding sets out that the 60-40 formula, insofar as practicable, afforded to the owner of each property in the pool the oppurtunity to use his just and equitable share of the reservoir energy. We submit to the Court that this also allowed him to his just and equitable shares of the energy and prevents waste. The same testimony was discussed earlier establishes this. The testimony concerning drainage and premature abandonment of wells, non-developed tracts. I would like to specifically call the Court's attention to Finding No. 13 of the Commission's order, which appears on Page 2 of the printed order, which reads as follows:

"That under the present 25-75 formula correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste and that waste will result unless the Commission acts to protect correlative rights".

Now, we submit to the Court it certainly cannot be argued this is not a specific finding that waste was occurring and that waste would occur unless the Commission acted, it specifically says so. Now the Petitioners have alleged in their brief and here this morning that this is not a valid theory, that this is not correct, that the Commission proceeded upon an erroneous presumption. For the Court to consider the validity of this argument, I would like to call the Court's attention to the Jalmat case - the decision wherein the Court said: "The prevention of waste is the paramount interest, and the protection of correlative rights in interrelated and inseparable from it. The very definition of correlative rights emphasizes the term without waste. However, the protection of correlative rights is a necessary adjunct to the prevention of waste. Waste will result unless the Commission acts to protect correlative rights." The Supreme Court of New Mexico has found this is a valid theory, that Finding No. 13 is a valid finding, insofar as the prevention of waste. The Supreme Court itself says waste will occur unless the Commission can act to protect correlative rights. We submit that the Commission did act to protect correlative rights, by the issuance of Order No. R-2259-B, and specifically has set out in Finding No. 13 therein, and are now sofar as the validity of this theory is concerned.

I would like to compare a hypothetical situation to

the one they submit establishes conclusively the violation of correlative rights - this is 3: I take the situation of two wells, one well A, and one well B; and assume for the purposes of this discussion that both of these wells have exactly the same amount of reserves, which would of course be very difficult to come up with an actual situation like that. But in reality there would be at least a ratio that would be considered. If you assume each has the same reserves and each has the same energy to produce those reserves, and say our A has assumed ten units of reserve and takes ten units of energy to produce those reserves. Assume well B is identical, ten units of reserve and ten units of energy, has to have perfect protection of correlative rights. If well A produces two units of reserves it will consume two units of energy to get that out of the ground; the same will hold true of well B, two units of reserves, two units of energy. On the theory the well can produce all of its reserves, when it is depleted it will have no energy left in the well and no reserve, or substantially no reserve and on correlative rights one well gets to produce more than the other well, and we will have to assume these wells are in communication with each other; and there is testimony in the record the wells are within communicating depths of each other - if well A, when correlative rights are violated in producing 7 units of reserves and 7 units of energy, it takes 7 units of energy to get those reserves

out of the ground, then the contrasting tract will have three of each left, but when it did that it produced more than a proportionate share. It is a scientific fact the law of nature, the Court could take judicial notice of that - a low pressure area is created any time a gas well is produced in excess of the wells surrounding it, and that gas migrates toward low pressure areas. The gas from the well they got to produce two and two with no increase in the allowable is going to necessarily migrate toward the low pressure area, toward the well that produced more than its fair share. We submit to the Court that gas does not travel through a formation like water, it flows in the ground, it takes energy, it takes some type of energy for water to flow on the ground. This is a basic scientific fact, it takes energy to move gas through rock, through sandstone. There is testimony in the record by almost every witness presented to the Commission that discussed the characteristics of the pool, that pool is a type of sandstone. The Court is aware that sandstone rock is very, very thick, I would say, and very difficult to move anything through it - specifically gas. It takes energy to move gas through that rock. When this gas moves from the well that produced a lesser amount to the well that produced a greater amount it will take energy to move the gas through the rock. That energy is lost because it has been consumed;when that energy is consumed it necessarily

follows that some of the gas will be left in the ground as it travels between the two wells, because the energy will be expended moving through the rock and will not be able to be utilized when and if the gas reaches the other well. Some of the gas, we submit, will be left in the ground due to the loss of energy in traveling between the two wells. And assume all the gas did arrive at the well, some of the energy has been utilized in moving it, and so you would have an equal amount of energy left for the gas and there is no way to produce it and it necessarily must be left in the ground.

We submit to the Court that this establishes just what the Supreme Court said in violation of correlative rights, considers waste, the protection of correlative rights, is an adjunct to the prevention of waste. We would also like to call the Court's attention to the fact that order R-15-B merely amends R-1670-C and R-1670-C also contains a specific finding concerning waste. We have quoted this order in our brief, at page 9. I would like to call the Court's attention to the fact that R-1670-C states, "for the purpose of preventing waste and correct correlative rights", and we would submit to the Court this is all the finding that is necessary to issue a valid allocation of gas production order and that 1670-C is already in effect, it has not been rescinded.

I also would like to talk very briefly concerning an

allegation that the Petitioners have made in their brief and once again which they have not followed up, in their argument here today, and we might assume have been abandoned. The allegation that the order was invalid as it did not contain a finding concerning a change in conditions. We submit to the Court that such finding concerning a change in conditions absolutely is not necessary to issue a gas allocation order, and further we submit it isn't necessary to issue any kind of valid order. The Commission never has to find changing conditions. I call the Court's attention to Mr. Williams' article on the nature and effect of conservation orders which we have cited. He discusses to some length the proposition that a commission, and particulary a conservation commission can never be bound with the proposition it has to find changing conditions before it can change an order. He ties this to the legislative nature of the commission, that it is an arm of the legislature and it can never be bound by what it has done prior, just as the legislature can never be bound by its prior actions. The legislature can pass a new law tomorrow that will be valid, that is radically different from the law in existence today. We submit that the Commission's function is identical as it is an arm of the legislature, and it also cannot be bound by its prior orders to the extent that it has to find a change of conditions.

Not to burden the Court with citations concerning this point, I would like to cite one case and point to our brief and call the Court's attention to the fact that we have set

out in our brief numerous quotations stating such a finding requiring changing conditions is not necessary. From a very recent Oklahoma case, 1963, concerning a valid pro-ration order, a gas allocation order: Sinclair Oil and Gas Company vs. Corporation Commission, 378 Pac. 2d, 847: "We know of no sound reason why the Commission should any more be prevented from changing a common source of supply (in an orderly and legally prescribed manner) from one allowable formula to another (which in the light of changing conditions and more and better knowledge about the reservoir will more likely fulfill the objects of waste prevention and protection of correlative rights) than it is prevented from changing well-spacing sizes and/or patterns, or well-spaced areas, in the light of new knowledge accumulated by the progressive development of such reservoirs." And we submit to the Court that this is an Oklahoma 1963 decision and there has been at least one old case in Oklahoma which has indicated change of conditions might have been necessary for the Oklahoma Commission, and even in that case, and in this reference case is the showing the change of conditions is not necessary because if there is new knowledge of the reservoir for a sufficient showing of change of conditions, and certainly new knowledge is replete in the record in this case.

Concerning the specific findings, I do not propose to go into them in detail, but I would like to point out to the Court we certainly have findings showing a change of conditions

Finding No. 8 establishes a change in the knowledge concerning underground conditions. This concerns re-evaluation of reserves and we submit to the Court that this certainly is adequate to show there has been a change in conditions because we found there had been re-evaluation of reserves, and as a matter of fact, although it isn't a specific finding concerning this, it is common knowledge a gas reservoir conditions change with every MCF of gas produced out of that reservoir. If it does not do anything else, it reduces the reserves.

Finding No. 13, we submit - " If correlative rights are not being protected the only possible inference that there has been a change of conditions, because it must be presumed the 25-75 formula , when that order was issued protected correlative rights". Petitioners made an issue of that, I submit to the Court if the Commission now finds that correlative rights are not being protected there must have been a change in conditions. The same conclusion can be reached in Finding No. 14, which says more wells are receiving a proper share of gas under the 60-40 formula, and the same conclusion can be reached in Finding No. 15, which concerns a proper share of the energy. All of these must have been done when the prior order was issued and if a new order is going to give a re-allocation there must have been a change in conditions.

This will conclude my portion of the presentation, Mr. Kellahin will now present his argument to the Court.

COURT: After we take a short recess.

BY MR. KELLAHIN: Some of the points I had intended to discuss have been touched on by Mr. Durrett, and I will be able to cut my discussion down somewhat.

At the outset I would like to state we do not waive any material presented in our brief which are not argued here. I would also like to comment on the opening remarks made by Mr. Malone, in which he discussed the number of wells and number of operators involved. Thirteen operators on 111 wells supported the change, fourteen operators in 142 wells being against the change. I trust the Commission did not consider the weight of the operators as evidence, but rather considered the weight of the testimony and found substantial testimony to support the change.

The initial point I would like to discuss is the failure of Petitioners here to exhaust their administrative remedy. I would point out again that the Commission does not join with us in this argument and this one point is solely the presentation of Consolidated Oil and Gas. A stipulation has been entered in the record on the basis of that stipulation we lay the foundation for argument here, on both sides of the question. We feel it a legitimate question as to what constitutes an order is presented to the Court at this time. The stipulation points out the order was signed by two members of the Commission, which because of the statute constitutes a majority of the Commission. On July 3rd, it further points out a copy of the order was also signed by these two members, that the

original of the copy went to the printer for production, and on return to the Commission at some unspecified date the third member of the Commission signed. The order was docketed in a book as required by the New Mexico statutes and the same copy was placed in the case files in this case. On the copy placed in the book, which we have stipulated was placed by Mr. A. L. Porter, Mr. Porter endorsed on the face of it, "Entered July 9, 1963, A.L.P." It was also further stipulated on July 9th a copy was mailed to the State Supreme Court and that the parties were notified on that date and no parties had actual knowledge of the order before July 9th. What we are considering is what constitutes delayed order. The statute requiring the party aggrieved to seek a rehearing within twenty (20) days after the entry of the order. It is admitted, and I think the record will so show that the application for rehearing was filed on July 9th, and we consider this Court would be without jurisdiction to consider this case at this time.

COURT: Did you make a statement the application was filed July 9th?

MR. KELLAHIN: Yes, sir.

COURT: You mean 29th?

MR. KELLAHIN: Twenty-ninth, I am sorry.

Now there is considerable law on both sides of the case on this question. Some say "entered in the docket book", some say "when an order is signed it means entered". I will cite only two cases - 207 Federal Supplement 554, in which the

Court said a judgment is entered for relief, other than for a jury verdict or money judgment, when the judge approves the form of judgment. Wren vs. Walsh, 14 NW 2nd, 902, a Wisconsin case. In this case the statute made it the duty of the clerk to keep a minute book, to keep an entry of all properly signed orders and entries and that the time for appeal runs from the time the notation of the order is made. It is interesting to note in this particular case that in their brief the Petitioners in outlining the chronological developments in this case, referred to the dates of the various and sundry orders. On page 4 of their brief they say November 4, 1960, June 7,1962, Order No. R-2259-, June 7th is the date that appears on the face of the order. July 7, 1962; Order No. R-2259-A, that is the date that appears on the face of the order; August 1, 1963, Order No. R-2259-C, and again that is the date that appears on the face of the order. It is only when they come to Order No. R-2259-B, the one challenged in this proceeding, that they contend it is a different date than appears on the face of the order. A quorum of the Commission met on July 3, 1963 and that they there and then filed the order involved here, we submit this constitutes the date of the order.

I will read from 73 C.J.S., Page 490, Sec. 156:

"Within the recent case of Colorado Interstate Gas Company vs. State Corporation Commission, a Kansas case,

386 Pac. 2d, 275, page 284 the Court said: "The appellants contend that the allowable orders issued prior to November 1957 are not subject to judicial review because no timely application for rehearing was filed with the Commission. We agree with Appellants' contention." And on the next page went on to say, "The Court had no authority to review the order of the Commission except as the statute gave it such authority". The Courts of New Mexico gave authority only as to the orders submitted to the Commission during the time for order for rehearing.

Getting to the question of substantial evidence, Mr. Stockmar will cover it some length. Testimony supports the various findings in the order, and discuss the question of the findings as to waste which is contained in the record before the Commission, which is now before the Court; but to discuss the matter briefly I think we should analyze just what is required of the Commission in order for the Court to find that the order is supported by substantial evidence. It is conceded that the findings must be supported by substantial evidence, by the same token we assume it will also be conceded the findings supported by substantial evidence will not be overturned, but actually what we are talking about here, about a portion of the scope of review to be given an administrative order by the Courts. The case of Johnson vs. Sanchez, 67 N.M. page 41, this was an action against the Motor Vehicle Commissioner to set aside the suspension of driver's license. The Court found the scope to be: "It has long been the policy of the State of New Mexico as borne by the various decisions

of this Court that on appeals from administrative bodies questions to be answered by the Court are questions of law, and are actually restricted as to whether an administrative body acted arbitrarily, capriciously and whether the order was supported by substantial evidence, and generally whether the administrative head acted within his authority."

The Court cannot review and has no power to review reasonably exercised discretion. It can of course direct arbitrary or capricious acts but it cannot interfere with the proper exercise of discretion by an administrative agency. In 64 N.M., at 478, Mandamus Action - one of the major questions presented in this proceeding is the question of whether the findings of the Commission are supported by substantial evidence. To have a finding set aside it must be shown there is no substantial evidence to support it. It isn't sufficient merely to show there was evidence to support the finding had it been made the other way. Renehan vs. Lobato, 55 N.M., 532, in Brown vs. Cobb, 53 N.M., 169; the Court defines substantial evidence, "case turns on the sufficiency of the evidence to support the findings, the evidence must be considered in the aspect most favorable to appellees and all evidence to the contrary must be disregarded. All evidence to the contrary is presumed to be untrue." In Banks vs. McCulloh we define substantial evidence in the following language: "If reasonable

men all agree, or if reasonable men may fairly differ as to whether the evidence establishes the facts found, and term may also be defined, as evidence of substance, which establishes facts and from which reasonable inferences may be drawn".

I think it formally can be said that substantial evidence in New Mexico requires enough evidence to show the agency or Commission has not reached an arbitrary or capricious reason or fact, but has acted rationally. It simply determines if the decision by the administrative agency is a proper and rational one, in light of the evidence most favorable to this decision.

Now, in connection with our attack on the substantial evidence in the cases here by the Petitioners, they have made objection to the reserve evidence which was presented to the Commission by Consolidated Oil and Gas Company, and this has been discussed at some length by both Mr. Malone and Mr. Verity in their brief and again at this hearing, and as I recall the objections, ad Mr. Malone stated, renewed at this hearing, their objection was made to the Exhibit offered by Consolidated at the hearing.

In the first place there was no objection to the introduction in evidence of the reserve calculations that had been made by El Paso Natural Gas Company from 460 individual wells in the Basin-Dakota pool. In the February 1963 hearing, pages 32 and 33, Mr. Howell, Attorney for El Paso had objected

to the introduction of the Exhibits offered by Consolidated Oil and Gas Company;

"MR. KELLAHIN: I would like to point out in response to Mr. Howell's argument that he casts some doubt on the accuracy of Exhibit No. 1.

"MR. HOWELL: It should have been Exhibit No. 3.

"MR. KELLAHIN: You said No. 1, and that is your exhibit.

"MR. HOWELL: No. 3 is what I referred to. I mis-named it.

"MR. KELLAHIN: You do not quarrel with Exhibit No. 1?

"MR. HOWELL: That is correct.

"MR. KELLAHIN: You do not quarrel with Exhibit No. 2?

"MR. HOWELL: I do not know, because that represents work done by other people other than ourselves.

"MR. KELLAHIN: It is my opinion that the Exhibit No. 2 was furnished by El Paso under subpoena.

"MR. HOWELL: I would like to correct my motion, thinking the map was Exhibit No. 1. It is the exhibits from 3 on that we object to.

"MR. PORTER: The record will show the objections by Mr. Howell, Mr. Keleher to the admission of these exhibits. The objections are overruled. The exhibits will be admitted to the record, and the Commission will determine, of course, the proper weight to be given to those exhibits; and, of course, the opposing counsel will have the opportunity to cross examine the witness now concerning any phase of his testimony or anything that appears in these exhibits."

Now, just what were these Exhibits to which objections were made?

Exhibit No. 1 to which there was no objection and to which was introduced and accepted in evidence without objection was a tabulation of 460 wells which El Paso Natural Gas Company furnished Consolidated, and again these were furnished to us under subpoena prior to the hearing in February, 1963. On this Exhibit there was a group of 460 wells grouped by reserve ranges, 460 wells showing El Paso's calculation of their initial reserves and initial deliverability and current reserves and their current deliverability. As I stated, this pertains to wells, it does not pertain to contrasts, it does not pertain to sections, it pertains to individual wells and these are calculations of El Paso, and on this Exhibit no wells are identified.

Exhibit No. 2 was produced by El Paso Natural Gas Company in response to a subpoena issued by the Oil Conservation Commission, and again was admitted in evidence without objection, and is a part of the record before this Court. It was a tabulation which identified wells on a brief exhibit and it gave their location by township and range. The Exhibit was delivered prior to the February hearing and it showed again the initial deliverability of the wells, the net feet of pay, the number of acres in the unit, the acre feet of sand, the township recovery

factor, the inital reserves in place, the cumulative production through December 31st to January 1, 1962, and the then current reserves as of January 1, 1962. Again, this is in townships, it isn't sections, it is wells, all information as to each one of these individual wells.

Now, was this accepted blindly by Mr. Harry Trueblood as contended by the Petitioners here - - Mr. Trueblood was qualified before the Commission as an expert petroleum engineer and his qualifications were not questioned, and he also has trained petroleum engineers in his employ and he was testifying - appearing before an expert Commission, a Commission which also has trained experts, trained expert gas engineers in its own employ. Mr. Trueblood applied information as required by the decision of the Supreme Court, as shown by Exhibit A, which was attached to the order.

Certainly the Commission was competent to pass on the manner in which this was done, and the competence of the testimony and the weight to be given to it. It should also be pointed out that this was the only information that was made available to the Commission at either one of the hearings on which the calculation of reserves or either one of the individual tracts could have been made. It has been stated here time and time again the information was stale, it was old, it was out of date and new calculations should

have been made after this time to work the new calculations remain in the brief cases of El Paso engineers because it wasn't submitted to the Commission.

Page 16 of the February hearing: "We met with absolutely zero success in this attempt, but we did ask and receive through subponeas a great deal of information; namely, core analyses and logs on 58 wells that had been cored in reservoir. We compared the El Paso work on the 460 wells that appeared on Exhibit 2, Consolidated's Exhibit 2 in this case, with a certain amount of our work, and also with respect to the cored data which was available. We found that of the 58 wells that had been cored, that by comparing the reserves we calculated from the cored information that the average reserve that we computed without regard to cutoff points, which have previously been testified to as six percent, and log interpretations and what have you, we found that we ranged on the order of between 70 percent to a high of 130 percent, as compared to the El Paso numbers which were in this group of 460 wells. Quite frankly, with the amount of information and the lack of information from core data and what have you, we felt that the El Paso work had been remarkably accurate, that all of the engineers in this room all realize that there are several ways to go to arrive at reserves under a given tract, and any one of these several ways would be reasonable".

Petitioners have seemed to contend the 30% figure above or below actual reserves was a figure just pulled out of the

air. Their basis of this was the calculations made by Mr. Trueblood on the basis of core information and location fell within this range of the calculations made on the same information by competent engineers by El Paso Natural Gas Company.

Exhibit No. 3 - the information available was applied to the pool as a whole. In order to get the necessary information from the wells on which no calculation was available this was done by not drawing lines on a map, but by mechanical contouring engineers figures. It was accepted by the Commission, adopted by the Commission and certainly I think the Commission is competent to pass on the competency of the manner in which it was done. This wasn't done blindly. It is also contended because these figures were prepared by the El Paso Natural Gas Company they were hearsay and were not admissible. Their objections come too late and Mr. Trueblood adopted the figures as his own, as an expert after having testified he checked them himself and was convinced of their accuracy, and submitted himself to cross-examination on them based on his work.

Exhibit 4 was a tabulation of individual reserves for each tract from 699 wells.

Exhibit 5 is wells falling there under various categories.

Exhibit 6 a graphic group of wells under advance proration formula.

Exhibit 7 is a curve showing the number of tabulations

of correlative rights vs. the percent of deliverability in the formula. Now it is contended further that the information is incompetent because based solely on the contention that this information was suitable only for a pool wide study and not for determining reserves underlying individual tracts. It is significant that El Paso, in making studies itself assigned reserve figures in two pools in two contrasts, by individual wells and grouping these wells by reserve groups, in an effort to show the 25 75 formula gave each operator his allowance. Now, they wish to say this evidence cannot be used for this purpose. It wasn't until this was used by Consolidated for the same purpose that El Paso began to cast doubt upon the validity of its own calculations. As previously pointed out, Harry Trueblood adopted the figures as his own, he further testified as an expert that he considered this as a fair and reasonable approach to the problem. At least we have the opinion of one expert against another before an expert Commission. It cannot be said the Commission acted arbitrarily and capriciously.

In 2 Am. Jur. "The opinions of qualified experts with reference to their particular fields constitute evidence which will support a decision * * * * if one of the opinions of such witness are contradicted by other experts, which is the usual case". We submit that the objections raised by Petitioners here to the competence of this evidence in the first place comes too late and the second place is groundless. They made no objection to Exhibits 1 and 2, which are

the basis to all the Exhibits through 7, and they cannot be heard now to raise an objection in this Court when they waived the objections before the Commission. In addition to that, this Court can review only matters presented to the Commission, in a rehearing and this matter wasn't submitted to the Commission.

The findings required by the Jalmat decision have been discussed at some length by Mr. Federici, in which he has admitted that the Commission did make findings 1, 2 and 3, as shown on the visual aid chart. A quarrel with Finding No. 4 was made, the only attack made on the other findings is whether they were supported by substantial evidence, and that will be discussed further by Mr. Stockmar.

Actually, this entire case is based on two contentions, the order of the Commission No. R-2259-B is invalid because it is not based on proper findings, and (2) it isn't supported by substantial evidence. The general proposition and purpose of these findings is to aid the Court in measuring the work done by the Commission. However we would like to point out the statement of the Court in Ferguson-Steere vs State Corporation Commission, the Court stated; "If findings of men attack findings by the administrative Board or Commission, the duty rests on the party complaining of their absence to have made a request for them".

Now there was no request for any findings made by Petitioners in this case. In the Jalmat case the Court stated, (page 322, New Mexico Reports) "We would add, although formal and elaborate findings are not absolutely necessary, nevertheless basic jurisdictdnal findings supported by

by evidence are required to show that the Commission has heeded the mandate and the standards set out by statute."

In Sinclair Oil Company - Sinclair Oil and Gas Company vs. Corporation Commission, an Oklahoma case, 378 Pac. 2d, 857, the Court had an identical situation as they presented here and the question of the findings required there an order changing the pro-ration formula, and the finding in that case was this - finding of the Oklahoma Commission was, "And that in order to prevent waste and protect correlative rights field rules and regulations are necessary". The Oklahoma Court held that was an adequate sufficient finding, and went on to point out that generally. They stated in reference to the allowable formula the order involved some very technical subjects - engineering and physics and mathematics were all involved. The record here will show we have an identical situation of several days hearing and many pages of testimony.

Now, tested by any standard we may measure it, we submit the basic jurisdictional findings required by the statute as interpreted by the Jalmat decision have been made, and that all the findings necessary to constitute a valid allocation formula have been made. This has been discussed considerably by Mr. Durrett and I will not elaborate on it at this point.

However, I would like to briefly refer to the findings in the order and discuss them, as Mr. Federici has already admitted we have the proper findings in Finding No. 7, No. 5 No. 6. I believe 1957 and 1957 covers his items for 2 and 3

in the Jalmat decision. In Finding No. 8 the Commission said it was impractical to allocate production solely on the basis of pool reserves due to the continuous fluctuation of reserves of new completions in the pool and new evaluations in the reserve, and existing wells. That is merely a recognition by the Commission, every time a new well is drilled, by data obtained as a result of drilling of that well, must be taken into consideration and a new pool calculation will have to be made. The Commission said this cannot be the sole basis for pro-rating. Certainly the statute would lend you to be able, insofar as it can be done the Commission must determine the reserves under a tract and can get no more. That is the argument presented by Mr. Verity as his interpretation and requirements of the statute as laid down by the Jalmat decision is correct we would have no decision in New Mexico because it would be an impossibility, no Commission would have the time. All the exact reserves that underlay this tract of land, and then as contended by Mr. Verity, apply a formula which would give each well an opportunity to produce those exact reserves. This is an impossible situation, the Commission can only adopt a formula which will most adequately meet this requirement and that is as far as it can go, and that is what it has done here. If we follow the rule contended by Mr. Verity the Commission would not only have to allocate the reserves, by an allocation for each individual well in order for each

well to get its reserves, and certainly the Commission cannot be expected to do such a foolish and tedious thing and impose it.

In Finding No. 9, I am sure there would be no disagreement there because the tract acreage factor is an easily established factor, although one counsel said it had nothing to do with reserves, but I think any amount of acreage owned by an operator has something to do with the underlying reserves.

Finding No. 10, the Commission found that there is no direct correlation between deliverability and reserves, they did not say this was to deliverability, they said - - and certainly the Petitioners were there contending for 75% deliverability, now they want this Court to believe the Commission objected to deliverability. The Commission did no such thing, and that in acreage and reserves the same situation existed, that the best solution is to use a combination of both in the proper proportions, and the Commission in this case found that to be a 60-40 division.

Finding No. 11 - Mr. Durrett has discussed this quite ably. Mr. Stockmar will discuss the other findings, I believe, with the exception of the last one.

Finding No. 18, where it says due to the time required to administer a new allocation summary for a pro-rated gas pool this order should not be effective until August 1, 1963, and beginning the next six months pro-ration period

that in itself is a recognition on the part of the Commission that it is dealing with a pool that had already been prorated. We ask the Court to take notice of Section 65-3-13 Paragraph (c) "Whenever, to prevent waste, the total allowable natural gas production from gas wells producing from any pool in this state is fixed by the commission in an amount less than that which the pool could produce if no restrictions were imposed, the commission shall allocate the allowable production among the gas wells in the pool delivering to a gas transportation facility upon a reasonable basis and recognizing correlative rights, and shall include in the proration schedule of such pool any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility which is reasonably capable of handling the type of gas produced by such well. In protecting correlative rights the commission may give equitable consideration to acreage, pressure, open flow, porosity, permeability, deliverability and quality of the gas and to such other pertinent factors as may from time to time exist, and in so far as is practicable, shall prevent drainage between producing tracts in a pool which is not equalized by counter-drainage. In allocating production pursuant to the provisions of section 12(c) the commission shall fix proration periods of not less than six (6) months. It shall determine reasonable market demand and make allocation of production during each such period, upon notice and hearing, at least 30 days prior to the beginning of each proration period". It cannot be presumed the Commission in changing the proration of this pool failed to follow the statute. Every

six months an allocation order is entered by the Commission. I have one such order here and I ask the Court to take judicial notice of the official actions of the Commission. Order No. AGN-18, Gas Proration Order for the period February 1, 1964 through July 31, 1964. This is a typical order of the Commission.

Finding No. 2 - the number of pools, including the Basin-Dakota gas pool. "That the potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed nine gas pools should be limited, allocated and distributed during the six-month proration period commencing February 1, 1964".

(Respondents' Exhibit No. 1 marked for identification)

We offer that.

MR. MALONE: No objection.

COURT: It will be admitted.

MR. KELLAHIN: Now, it should be pointed out that the allocation formula adopted by the Commission in its Order No. 2259-B is not the only order entered by the Commission affecting proration, the order, Respondents' Exhibit No. 1 is typical, the order is entered by the Commission in which it makes findings for proration of gas in order to prevent waste, and order No. R-2259-B merely implements this and determines whether this could be produced without waste, and

whether waste is going to occurr. Necessarily it is designed to implement the distribution of that allowable production which the Commission has determined may be produced without waste, and that determination was made in that order right there.

There is only one other item I would like to discuss, and that is the statement made by, I believe Mr. Verity, who said there is no contention here that the old order is under attack - that is not true, the old order R-1670 is made applicable to the Basin-Dakota gas pool by order R-1670-C. Those two orders were attacked by Consolidated, the issue was presented to the Commission in its petition for rehearing - Consolidated's petition for rehearing, which is a part of this record. These orders are part of this record and the validity of these two orders was attacked in the proceedings before this Court in the answers filed on the part of Consolidated. If they are valid today, they are valid because of the adoption of order R-2259-B, which made the findings the Supreme Court said are necessary under the Jalmat decision. If order No. R-2259-B is not a valid order, it is submitted now order 1670 or 1670-C contain no findings whatever which made the testimony of the Jalmat decision - now this is a direct attack on the validity of these orders, we emphasized this before this Commission and again before this Court, the attack is almost identical to the situation raised in the Sims case where the validity of the order wasn't even questioned until it was tested and the Supreme Court finds it void because it

does not contain waste. If they be valid then we can look to order R-1670-C for all the findings necessary in connection with a finding of waste for the purposes in our situation here in R-1670-C, in Finding No. 3, the Commission stated, "That the producing capacity of the wells in the Dakota Producing Interval is in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to proide a method of allocating gas among proration units in the area encompassed by the Dakota Producing Interval, commencing February 1, 1961".

We submit the adoption of order R-2259-B implemented this order and made it valid. All R-1670-C or 2259-B does is amend this order. The one provision is the manner in which the gas is going to be allocated, if as contended by Petitioners, 1670-C is a valid order.

COURT: We will take a short recess.

ARGUMENT BY MR. TED STOCKMAR:

If the Court please, the Petitioners have been helpful with these physical aids, and have set up here all four basic findings of fact the Jalmat case seems to require. I think though we should add under the heading required by the Jalmat case the rest of the language which says the Commission must determine, insofar as practicable, these things. Mr. Durrett and Mr. Kellahin have already indicated that these findings must not rigidly adhere to this pattern, that there is a

certain amount of flexibility, and that their equivalent findings are acceptable. In addition, at page 323 of the New Mexico Reports the Court said: " * * * * However, as we said, certain basic findings must be made before correlative rights can be effectively protected. From a practical standpoint, the legislature cannot define, in cubic feet, the property right of each owner of natural gas in New Mexico. It must, of necessity, delegate this legislative duty to an administrative body such as the commission. The legislature, however, has stated definitively the elements contained in such right. It is not absolute or unconditional. Summarizing, it consists merely (1) an opportunity to produce, (2) only insofar as it is practicable to do so, (3) without waste, (4) a proportion, (5) insofar as it can be practically determined and obtained without waste, (6) of the gas in the pool."

It is submitted by the Respondents all the Court's references in thes matters to gas produced without waste is a simple recognition by the Court by other features of the Jalmat case which are interwoven with these bits of language that the statute clearly requires that the correction of correlative rights be subservient or the Commission is not empowered to protect correlative rights of private parties at the expense of private parties,-at the expense of paramount parties in the prevention of waste. This is really what they are saying when they say the findings must do this.

we must clearly recognize the prevention of waste is paramount. In the Jalmat case, not a single one of the findings that the Petitioners discussed mention the waste or correlative rights, so the Court is being instructive when it says you must make these definitions a part of your order. Prevention of waste and protection or correlative rights - how different is that from this case - how clear the history of this pool has been gone into by the Commission here. First, as has been stated by Mr. Durrett and Mr. Kellahin, Finding No. 3 of the 1670 order is a finding with respect to the prevention of waste. That order has been made valid by order 2259-B, clearly states the purpose of the Commission is to prevent waste. Second, you have been asked to take judicial notice of the six months proration schedule in which the Commission at intervals makes findings of all of the gas that is produced from the field and recoverable without waste. So this finding has already been taken care of, that at least is perfectly clear insofar as the word "waste" means, surface waste. There isn't any production of gas which has been simply flared, it has all been fed into the pipeline, there is no excess waste involved. Third, although not framed in the specific language of Item 4, the Petitioners have made a great to-do that this item is lacking, it must be stated in the finding. We contend it need not be stated in that way

at all, it can be stated in many ways. Mr. Federici was pointing out, following Column D there should be another column which shows the proportions of the pool reserves they should be permitted to be produced - Column "I" is the proportions of the pool allowable that under the 60-40 formula, the Commission has said can be produced. Yes, there is some waste, Mr. Verity has said there is some waste because it isn't exactly equal to this. Insofar as practicable the Commission has found from Consolidated's Exhibit 4, which submitted eight sets of data like this that in the protection of correlative rights the 60-40 formula, insofar as practicable, prevented waste. There is a column which gives the numbers, the proportions just as stated in Item 4 of the Jalmat decision. When we speak of underground waste, which is all that is really left to be considered, it certainly is underground waste if recoverable gas is left in the ground under tracts never drained because of the allowable formula, a tract of economic failure before the well is drained underground waste occurrs. If gas is left in the ground due to the premature abandonment of wells, which could have been produced under an appropriate formula. As Mr. Durrett explained, waste occurs if you have gas in a reservoir that is not drained out and it moves a mile through this rock to be produced through a well that is not the proper well for that to be produced through.

Notice how intimately each of these underground wastes are connected with correlative rights. If the owner of a tract in a poor section of the field, the allowable will not give him a fair part of his gas, will not drill - the owner is faced with an order which will give him such a low allowable that it will not pay him to produce the well, leaving gas to be recovered that could be recovered had the proper formula been in existence. Then I feel when the Commission finds as it did in its Finding 13 that correlative rights were not being adequately protected, then that is a clear finding waste occurs. It is the contention the formula will perpetuate the situation when it further states, as it did, that the protection of correlative rights is a necessary adjunct of the prevention of waste. It is simply stating a truism. We have just demonstrated when it states waste will result unless the Commission acts to prevent waste of correlative rights, that is all that needs to be said. It is a conclusion that will be incurred if correlative rights are not protected, if it is an untenable conclusion it is one that is maintained by the Supreme Court, of this case. The same reasoning can be applied to Finding 14. Here the Commission stated affirmatively the 60-40 formula would more adequately protect the correlative rights and would prevent waste.

The Petitioners have conceded the efficiency of findings 1, 2 and 3. They simply say the order is defective

because Item 4 is missing. We say Findings 13, 14 and 15 and 16 are not only not deficient, but they are expansive of this, they are strong findings that the Commission has considered what it takes to permit the production of gas insofar as practicable, without waste. It seems obvious to me that the Commission must have proceeded somewhat as follows: It recognized because we are dealing with a prorated gas pool that they cannot produce waste, it concerned itself with preventing underground waste for the reason we have just stated. This is accomplished by the best practicable protection of correlative rights on substantial evidence. It has made the findings 1, 2 and 3 that is a necessary prerequisite to determining how to adjust correlative rights, and having done that will find that waste would result if they did not alter it. The Commission could only have asked itself what can we do so all the recoverable gas can be recovered, not just some portion of it - but the recoverable gas, insofar as it is practicable for us to do it can be produced without waste - all this can become the same if a good factor and reliable formula is the result.

In their brief, at least, I did not hear so much this morning, but the Petitioners attached a great deal of importance on the discussion of recoverable gas, or recoverable gas that could be produced without waste. In their brief they say these are not equivalents. We say they are equiva-

lents, they are the proper formula if it is practicable to eliminate underground waste then there is no difference because of underground waste. I really don't know what Petitioners are recommending the Commission should have said in Number 4, it seems it would have been silly to say, having arrived at 12 or 3 to state 50% of that gas can be produced without waste. That would certainly be a finding that the other 50% can be produced only with waste.

Some of these arguments may not be what the Commission was thinking when it made the order, we are not the Commission, we can only read the language, but I think if we would go back to the various findings in the present order where it contains correlative rights here and substitute some, which I am satisfied we are privileged to do, the statutory definition of those words had to be redundant. By reading this again you will see every time the Commission uses the term "correlative rights" it simply is a short cut for the fuller statement, that it is speaking of the opportunity afforded, sofar as is practicable to do so, to the owner of each property in the pool to produce without waste his just and equitable share of oil or gas in the pool - if it believes it practicable to obtain it without waste again - every time you see the words "correlative rights" in a finding, if you go back and read this full definition of it, it is a finding that gas can be produced without waste. Correlative rights are protected.

The hour grows late and I know the Reporter has had a

full day. The other major facets of the case seems to be related to the substantial evidence question. Mr. Kellahin indicated what was a substantial part of testimony - - it might be a bore to read the testimony, but it might be we could save a great deal of that reading if we recognized a great bulk of that testimony, most of it presented by the Petitioners, and a great deal of that presented by the Respondents, was in fighting over the question of whether or not there is a direct relationship between deliverabilities and reserves. This particular concept has been noticeable but it is absent in the brief of Petitioners, it is barely mentioned that this has been our case since 1960, has not been mentioned this morning, so a lot of this goes to something that seems to be abandoned. I think if we went through the summaries of testimony which we have prepared, a great deal of that could be left out as useless reading, that that is no longer an issue in this case. We probably have left in the case the question of whether we have substantial evidence as to the reserves in the pool. I think Mr. Kellahin's statements with respect to that are all that need to be said. Mr. Trueblood tested the data that was available, he measured it against all other data, he was able to dig out and he found to his own satisfaction, as an expert, that it was good, and adopted it as his own testimony. That is the basis for all the other Exhibits, and that is his word, not ours.

There are statements in the brief and the arguments of Petitioners that there is no evidence in the record on this point and none on that - our summary of the testimony has disclosed many items of testimony on all of these points, I am reluctant to take the time of the Court when it isn't even our burden to do this, the burden is on them to show the testimony is not in there. Maybe we do have to proceed somewhat, maybe we can limit ourselves to the points. Waste would occur if the 25-75 order was continued, correlative rights would also be abused and waste would be prevented and corrlative rights protected by the 60-40 formula. I don't want to go through through hundreds of references here. Maybe if we turn to the testimony of Finding No. 13 and take a few samples, and I will confess in writing this and the transcript of it there may be one or two places where we have over stated the support, but not very many.

For example in Finding No. 13, we state it is not only supported as to the correlative rights issue, but the testimony of witness Trueblood on Page 22 - for example - excuse me, 21:

Well the objection as made formerly to this as it is the only way to absolutely and completely protect correlative rights is to divide it up under the reserves found in each pool, and later states this is impracticable to do. Page 24, he makes it very clear under the current 25-75 formula there is a great disparity of the number of wells receiving their proper allowables. Going to page 36, states - talking

about complete elimination of abuse, and their elimination can only be done by exercising a tract factor, a thing stated I fear to be almost impossible. Finally come to the point on - about page 41, on cross examination he was asked if he was willing to agree that acreage and deliverability formula would accomplish the result. The only quarrel is the weight to be given to the reserve value of the two, and he says, "That is correct, that the Commission chooses to use those factors and to reach a minimum of use to correlative rights". The point is then the only question is the weight to be given to each one; and the issues of waste have been raised in Finding No. 13. - -

I am going to have to apologize, I have been a little bit confused here and struggling to justify some of my own statements - to start again on page 22 of the April, 1962, hearing, Mr. Trueblood very clearly stated with respect to the drainage question in the long life of this field will premit redistribution of the gas in the reservoir if this disproportionate of withdrawals are made. This is one of the statements in support of the drainage concept. Page 24, in speaking of waste and correlative rights he testifies that the field is less than 10%, or approximately 10% developed at the time, but the loss and life of hydrocarbons in the ground untapped that are producible hydrocarbons is waste. Under a 320 acre tract; to allow hydrocarbons from under a 320 acre tract that is not developed to be produced

through a 320 acre tract which is, strictly because the allowable formula would not permit the development of that 320 acre tract, is an obvious abuse of correlative rights. After making that mistake I don't want to take up too many of these things again - Page 36, Mr. Trueblood again testified clearly that unless the order premitted the production of gas in some reasonable relationship and within reasonable ranges to the allowables or to the reserves, then there cannot be any protection of correlative rights.

In the summary of testimony we have stated many, many of these items here, and on page 128 states that the allocation formula as it exists today is discriminatory and does not protect correlative rights. Other witnesses have carried on in much the same vein here. Mr. Weidekehr, speaking of drainage, page 195, testified that the drainage rate of these wells could be up to two miles, again supporting the concept under invalid order. Page 199, he said, "* * if we maintain our present formula we are not protecting correlative rights as between wells within the Basin-Dakota pool". Page 200 - "In your opinion, then, does the present formula cause a violation of correlative rights?" (answer) "Yes".

There is opposing testimony obviously, throughout, of the Petitioners' case, at that time was just to the reverse. We do not deny that, and in our transcript of the testimony we have attempted to show where they took the other position.

the Commission, however, has weighed this testimony, has given the appropriate weight to it, the same citations in here are equivalent support for the affirmative finding, many of them, that the 60-40 formula is a good one, particularly in the Exhibits in the rehearing Consolidated put on that measure. Eight different formulas and showed the effect of each one. The Commission has weighed those and has come up with this existing order. If this is not substantial evidence, a difficult case with many experts and many exhibits on both sides, testifying before an expert Commission; if this is not substantial evidence, then there never will be a valid pro-ration order or allowable order in this State. Thank you, sir.

MR. JOHN TITTMANN:

I have already entered my appearance as amicus curiae representing Pubco Petroleum, but as amicus curiae, in view of certain development of which happened here I would ask the Court's permission to point out in the record certain questions that may be of some interest. Do I have that permission, your Honor?

COURT: Yes.

MR. TITTMANN: Mr. Kelly raised the question of the entry - of the time of entry of the order here being proposed.

COURT: Is this by way of rebuttal?

A. No, it is merely my position, not to answer but just

to point out a procedural question, while technical, may be of interest and I submit could be persuasive.

There has been introduced in this case a stipulation on what occurred on the entry of the order. I wasn't aware of that stipulation. The Court received several exhibits without objection and while we do not object, I just want the record to show under the statute the Court is limited to the record by law, but be that as it may, there is another case, and I am sure your Honor is familiar with, in which Pubco appealed from this order within the time allowed after what was entered on the 9th. That appeal was dismissed, as I understand it, on the ground that Pubco had not exhausted its administrative remedies by asking for a second rehearing. Pubco's position at the time was it was in a dilemma to either appeal by the time permitted by statute, and all counsel agreed the Oil Conservation Commission is strictly bound by its statutory laws and that you either appeal within the time or you have no appeal. This being a jurisdictional matter, two choices, appeal now, apply for a second rehearing and appeal later; I think the Court probably remembers Tatsch before the Supreme Court in which the Court's order allowing appeal was mailed in time but it wasn't entered by the Clerk because it happened to be Christmas-eve. The matter wasn't raised by the counsel for either party but the Supreme Court itself picked it up as being beyond the jurisdiction because it was one day late. They later reconsidered, on a proper showing. But the issue posed in this case by procedure to appeal

timeliness of appeal with any rehearings because the Oil Conservation Commission - I am not familiar with oil - now my question, they have followed the transcript on the first case on appeal in this court's rule, was filed in the Supreme Court February 28th, briefs are due in thirty days - they will be filed in fifteen. The Supreme Court may be called upon to decide whether this Court has jurisdiction of this hearing, because if it decides that the appeal in the first case was the proper procedure, it will deny the Court had jurisdiction and it must necessarily in that decision decide that this proceeding was untimely and that this Court has no jurisdiction here. This is the same dilemma we were faced with, and I hate to suggest after all these manpower hours and most able counsel there could be some technical reason of jurisdiction, which is technical but I would suggest to the Court in my capacity as amicus curiae that the Supreme Court probably in its next term of oral argument will hear this question as to whether you will have jurisdiction of this case, or whether you will have jurisdiction in the first case, and I would suggest to the Court, in my capacity as amicus curiae - and I trust I am not overstepping my capacity, that should this Court decide this issue as presented in this case, and should the Supreme Court rule that this proceeding on a second rehearing granted by the oil people, that they have no power - that this proceeding is not properly here and

send it back and ask your Honor to rule on the first appeal; we re-introduce all this record, we re-argue, with all emminent counsel, with the same issue that has been presented here - as amicus I might ask the Court in that stature of the case, having decided once, would the Court conclude its decision again on a new proceeding, and I am only presenting this question in the capacity in which I am permitted to appear of record. Thank you, your Honor.

COURT: Does this conclude argument of respondents - I presume you would like some rebuttal argument.

MR. MALONE: There will be your Honor, in view of the length of presentation of respondents I would very much like an opportunity to organize my rebuttal a bit. I think it would be much better if we took it up in the morning. If the Court wishes us to continue this evening I would like a 15 minute recess to confer with counsel.

COURT: I would prefer to hear it in the morning. Court will be in recess until 9:00 o'clock in the morning.

9:00 A.M., FRIDAY, MARCH 6, 1964:

REBUTTAL ARGUMENT - BY MR. MALONE:

COURT: I presume there will be no question raised about these three items marked Exhibits, they really could be part of the pleadings. I believe no additional evidence is to be considered, but if counsel all agree we will let them go the way they are.

MR. MALONE: I think there is no objection to any of them.

MR. MALONE: May it please the Court. It will be my purpose to reply in rebuttal argument on behalf of the Petitioners, not to impose unduly on the Court's generosity time-wise, and to discuss points, all major points in the argument. In doing so I would like to take the same position that opposing counsel did yesterday, and that is the matters they have discussed in our brief that have not been treated in oral argument or included in the rebuttal today, we do not waive and would still urge on the Court.

Secondly, by way of preliminary I might suggest while we have no objection whatever to the summary of testimony offered by Respondents' being considered as part of the brief, we respectfully suggest it is so argumentative in character it can hardly be referred to as a summary of testimony, but actually is a further argument of the position of Respondents and should be viewed in the light, and I might suggest for the benefit of counsel, we had about as much trouble with the right transcript as he did with the wrong transcript.

Turning first to the question of the exhaustion of administrative remedy which was urged by Mr. Kellahin on the question of whether or not the application for rehearing before the Commission was timely filed within the twenty days provided by the statute. The statute itself in this regard provides, Section 65-3-22 - "Any party to such rehearing proceeding, dissatisfied with the disposition of the application for rehearing, may appeal therefrom to the district court

of the county wherein is located any property of such party affected by the decision, by filing a petition for the review of the action of the commission within twenty days after the entry of the order following rehearing or after the refusal or rehearing as the case may be * *".

We would turn to the portion of the statute which contains provision for the facilities that the Commission must provide as the public record all of its orders, and that is 65-3-6: " * * *All rules, regulations and orders made by the commission shall be entered in full by the secretary thereof in a book to be kept for such purpose by the commission, which shall be a public record and open to inspection at all times during reasonable office hours", * * *

If there was any question as to whether placing a copy of the order in the case file or entering it in this book is the entry required by the statute, the action of the director himself, Mr. Porter, has dissolved any question, because only on the copy of the order which went into the permanent record did the Director in his own handwriting note the date of entry. I don't know how he could have spoken more clearly as the Commission itself determines of which record is the official record upon entry of which the twenty days for application for rehearing begins to run. That statement entered "Entered, July 9, 1963, A.L.P." in the long hand of the director himself certainly establishes the date of entry. It is interesting to note he used the very wording the

statute provides. He did not say "filed" he said "entered July 9, 1963". I might point out this construction which we urge is entirely consistent with the opinion of the Supreme Court of New Mexico, is in connection with the judgment before it is formally entered. 46 N. M., 200: "The 'Judgment and decree', so entitled, although dated June 9, 1941, was actually filed with the clerk on July 16, 1941, until which time, at least, ignoring the thirty day period thereafter during which by 1929 Comp.St. Sec 105-801, it is given control over its judgment, the trial court might have given and presumably did give consideration to the findings proposed by defendants. There was still time to set aside the findings already adopted and to withhold the judgment tentatively, although not effectively, ordered".

And the Court points out "until filed and it is entered on the minutes of the court, the document so denominated was no judgment". Presumably it was under the control of the Court until that event occurred - in other words, in the case at bar until this order was actually entered the Commission could have changed its mind, torn it up and written a new order, and no one would have known the difference, none of the parties affected by it. And that is the reason, until that order is entered in the record and becomes a part of the permanent record of the Commission it is effective, and that entry then puts it beyond the power of the Commission to tear it up. Until that occurs it has not been entered and when it

has been entered the twenty day time begins to run, and the application for reconsideration was filed within that twenty day period, thus it is respectfully submitted that there is no merit whatever to the contention that this filing was not timely made.

The second is the matter of indispensable parties who are alleged to be absent in this proceeding. We would respectively suggest that the proposition is wholly without merit and that the authorities cited in support of it are inapplicable to the situation.

Looking again at Section 65-3-22 of the statute with reference to how you shall file a petition for review or obtain reviews of an order, the statute says, "Any party to such rehearing proceeding, dissatisfied with the disposition of the application for rehearing, may appeal therefrom to the district court of the county wherein is located any property of such party affected by the decision, * *." How does he appeal? By filing a petition for review of the action of the Commission within twenty days of the entry of the order following rehearing or after refusal of rehearing. What would such petition include? "Such petition shall state briefly the nature of the proceedings before the commission and shall set forth the order or decision of the commission complained of and the grounds of invalidity thereof upon which the applicant will rely; Provided, however, that the questions reviewed on appeal shall be only questions presented to the Commission by

application for rehearing." Then this controlling sentence - "Notice of such appeal shall be served upon the adverse party or parties in the manner provided for the service of summons in civil proceedings." And that is the court statutory provision with reference to the statutory appeal to obtain review on the order of the Oil Conservation Commission. The requirement is that you file your petition within the allotted time and that you serve the Commission and all adverse parties. You appear before the Commission - there is no contention here, I assume there is no contention that all adverse parties, and the file shows all were served - served upon the adverse party or parties. There is nothing whatsoever as to what you shall put on the case style. They are complaining we consolidated the style but we didn't put in other adverse parties who were served. Insofar as this statute is concerned, we respectfully submit you do not have to put the Commission, Consolidated or anybody else in the case style. This appeal could just as well been styled "In the matter of the appeal of El Paso Natural Gas Company in Order 2259-B from the Oil Conservatinn Commission of New Mexico" and in the Fifth Judicial District that is the way they are styled, there is no reference to the parties because this is a review proceeding and is the civil action to which the authorities are cited by counsel are applicable, so that the only thing required to obtain this review is to meet the requirements of this statute, to serve notice on the adverse parties and the Commission, and that was served.

It is only by virtue of the statute, and without the statute there would be no review proceeding, and this is the reason this is a review of an action that was initiated before the Oil Conservation Commission. At that time all parties who had any interest in this pool were served with notice and made parties to that hearing by the publication of notice or the mails as provided by the rules of the Commission. Those parties all had an opportunity to come to the hearing before the Commission. The statute then said, if, when the Commission has disposed of the case and appeal is taken only those parties adverse to the appeal parties need be served, and those were the parties who were served and the other interested parties in the pool had their opportunity before the Commission if their position was adverse to that of the appealing party.

Counsel has cited the W.S. Ranch case in an effort to sustain his proposition. The W. S. Ranch Company case is completely distinct because it is a civil action and not a statutory appeal from a decision of an administrative agency. W. S. Ranch Company was an application for an injunction, it was a civil hearing and there had not been any prior hearing before a Commission. Perhaps counsel's own argument - he knows his position, because if his position was correct and the ruling in the W. S. Ranch Company case was applicable to an appeal from the State Engineer, every water owner in the Roswell Basin would be a party to an appeal to the State

Engineer for making water rights, and that is not the law. As the Court knows, everybody who has a right in a stream system or underground water system is not made a party to an appeal from the State Engineer, yet if counsel were correct and all persons were indispensable parties, that would be required. We therefore respectfully submit that the normal rule as to indispensable parties in a civil action has no application; that the requirement is that the statute be complied with to obtain this review and that the statute has been complied with in this case. On the general question and not cited to the Court as being conclusive at all because it involves the statute of another State, but this question has been up in Texas in regard to the Railroad Commission in Trapp vs. Shell, 198 SW 2nd, 424, it was held in Texas that the Commission itself is the only indispensable party to an appeal from its decision. We think that under the circumstances all the parties required by the statute are before the Court, at least were served and had an opportunity to be before this Court, and the suggestion there is no jurisdiction in the Court because of the absence of indispendable parties, is without merit.

Turning now to several matters mentioned by counsel for the Commission, to which I would like to allude. Certain of them I will withhold for treatment in connection with the subsequent points to follow, but we have found at least one proposition in which we are in agreement; we are in agreement we have the burden in this proceeding. If we do not discharge

that burden we are not entitled to a decision from this Court, but if we do discharge that burden we are entitled to it. We consider it desirable they be showed the order of the Commission is arbitrary, capricious, not supported by substantial evidence, beyond the authority of the Commission. Any or all of those will result in the invalidity of the order. Certainly we have the burden insofar as the establishment is concerned and we have to establish them before the Court and we submit we have clearly established them and have established the order as being arbitrary, capricious, not supported by substantial evidence and beyond the authority of the Commission, not supported by jurisdictional findings, and being unlawful and unreasonable, as application not having been made to figures, to which I will allude further. Counsel suggested we admit the Commission had authority to take the action which it took. We are in disagreement on that subject. It is agreed the Commission has the power to pro-rate natural gas pools. The exercise of that under the Jalmat case is dependent on certain findings and in the absence of those the Commission has acted without jurisdiction, its order is void, and that is the situation with which we are faced here. I frankly had considerable doubt as to whether I should make any mention of the next matter, which I have concluded I will mention very briefly.

I do not think counsel for the Commission really intended to impliedly and expressly reflect upon the motives of the

Petitioners in this case, it is just as much beneath the dignity of the Commission to do so as it would be for us to imply the Commission acted for ulterior motives in deciding this case, and we certainly have no such idea in mind any time. Motives, as the Court knows and counsel knows have nothing to do with the validity of this order. If it meets the requirements of the statute it is a valid order, if it does not meet them, meet the validity of the statute it isn't a valid order. The Court can take judicial notice of the fact that El Paso Natural Gas Company, in addition to being a pipeline company is the operator of more than half of the producing gas wells in the San Juan Basin, and it has not only a right, but a duty to those royalty owners, and its cooperation to come before this Court and defend them for that, which they feel is an abuse. Authorization having been given it and to its co-owners. The Petitioners are here for one reason and only one reason, and they sincerely believe this order of the Commission has denied them rights guarded them under the statute and courts, because they sincerely believe the order is invalid and motives should never have been brought into this case.

It was suggested further that perhaps the Petitioners had abandoned the proposition that the order wasn't supported by substantial evidence and that really all we had talked about was the weight of the evidence; if anything that was said in the argument of the Petitioners was so understood, it was

badly misunderstood. We have asserted in our brief, as we asserted in the argument, as stated by Mr. Verity at great length and very clearly. It seems to me we do very vigorously contend that the order is not supported by substantial evidence as to the existence of waste, under the old order, the prevention of waste under the new order, the protection of correlative rights by the new order. I think everything has been said in the brief and argument that can be said and I am not going to prolong this, this morning, on that subject, but there are two aspects of substantial evidence I would like to briefly mention, on which we strongly rely.

The first is the matter which was pointed out by Mr. Verity, which is briefed at some length, that the order is not supported by substantial evidence because the conclusion reached by the Commission was based entirely upon the application of the so-called A.R. Factor to these two formulas. The result of that application, as the Commission concluded, showed that 60-40 was the best formula. The evidence to support that conclusion is not substantial as required by all of the authorities for the reason that it appears from the face of the order and from the testimony in this case that Consolidated - this isn't the Commission's fault, nothing that happened here is the Commission's fault - Consolidated led the Commission into fatal error, it came in with this application, it put on the case, it supported it, the Commission adopted it as its case, it analyzed those Exhibits

and entered the order. The deficiencies in support of that order are the deficiencies of testimony by Consolidated, and not the Commission. It is admitted the figures which went into those columns were based upon an application of current deliverabilities, 1962-63 deliverabilities, of the wells involved. Whereas, the reserves which are the other part of the comparison, the reserves were not current reserve figures, but were reserves that these tracts each had before any gas was produced from any of them. In other words, before the first well was drilled in the Basin-Dakota pool these were the reserves that were under the tracts involved in this controversy. The deliverabilities usage factor used in this 40% and 75% formula to make the comparison were not the deliverabilities of those wells when they first came in at the time there had been no production, they were all deliverabilities of those wells when they first came in at the time there had been no production, they were all deliverabilities in the latter part of 1962 after some of these wells had produced seven or eight years. Now, it is admitted there is the testimony and it is certainly a known scientific fact, that as gas is produced from a reservoir the pressure declines and as the pressure declines the deliverability declines, so that they have taken the deliverabilities after they had declined - for various periods in various wells - and used them as against tract reserves that existed before any well had been drilled. Now, what was the result of doing that -

would result in a false A.R. Factor for the 60-40 formula and the 25-75 formula, and that falsity is present and inevitable because of the use Consolidated made of these figures. The testimony I have here, Mr. Trueblood testified that these figures he got from El Paso Natural Gas Company by subpoena, and offered in evidence as Consolidated's Exhibit 1, it had both the initial reserves which they used, and the current reserves. It had initial deliverability and current deliverability, so they had the option of comparing application to application, or ranges to ranges, initial reserve to initial deliverability, current reserves to current deliverability.

What did they do - they compared initial reserves to current deliverabilities. When Mr. Trueblood was asked on the stand why he did it, he said he didn't really know, but he admitted he had done it. What is the effect of that as the deliverabilities decline after production from the wells - the result is that in this formula the deliverabilities which purported to be 75% deliverability times acreage was actually less than 75% as compared to initial reserves, and the 40% here was actually less than 40% as compared to initial reserves, because that figure would have been higher if they had used initial deliverability. So the result is, instead of having a reliable A/R Factor by the application of these two formulas they have got the result of a formula which is not

25-75, but is - I don't know - 25-65, maybe 60-35 - nobody knows and it may well be that that flow fraction of one half which just barely got over in a deliverable tolerance would have been completely lost if that mistake had been made, and that is present in this order, and there is a patent fallacy that absolutely makes unreliable that Consolidated reached and led the Commission to reach, in the use of those figures. The other aspect of substantial evidence which I would like to allude relates to these Exhibits 1 and 2 of Consolidated which were the subject of some discussion yesterday. I think we finally got cleared up, and if we didn't the record clears up what happened with reference to these - and let me just recount it so we will have it before us in considering the substantial evidence question.

These Exhibits constitute the background work done by El Paso in connection with its continuing study of the reserves in the Basin-Dakota pool. They were delivered to Consolidated as a result of a subpoena, Consolidated put them in evidence as their Exhibits 1 and 2 and predicated all the rest of their Exhibits upon the figures in 1 and 2. As stated to the Court yesterday, our objection insofar as Consolidated and the Commission were concerned, these were hearsay. They were not competent for the purpose for which used by Consolidated and they so having been inadmissible

with it falls all of the Exhibits introduced by Consolidated

Now, what was Consolidated's answer to that - as I understood Mr. Kellahin's answer, it was "you are too late you didn't object to the admission of these before the Commission as hearsay and you are too late to do it now for the first time". We didn't agree for a moment we are too late to do it. Now for the first time Mr. Kellahin inadvertently was in error in saying we made no such objection before the Commission.

I refer now to the transcript of the hearing before the Commission in February of 1963, or rehearing, and I will read, starting at Page 29:

"Mr. Stockmar: I would like to ask that the Commission accept in evidence the exhibits offered.

"Mr. Keleher: We object to the exhibits.

"Mr. Stockmar: I would like to have the remaining five exhibits numbered and marked for identification.

"Mr. Porter: You have seven exhibits, and you are moving admission, that Consolidated Exhibits 1 through 7 be admitted into the record?

"Mr. Keleher: To which we object on the ground they are irrelevant, immaterial and incompetent. The witness testifies that they're based on exhibits in the former case tried here before the Commission April 18, 19, 20, 21; no evidence here of independent investigation. These exhibits are based entirely on hearsay, on what some other witnesses have testified."

Then on page 33, after considerable colloquy:

"Mr. Porter: The record will show the objections by Mr.

Howell, Mr. Keleher to the admission of these exhibits. The objections are overruled. The objections will be admitted to the record, and the Commission will determine, of course, the proper weight to be given to those exhibits; and, of course, the opposing counsel will have the opportunity to cross examine the witness now concerning any phase of his testimony or anything that appears in these exhibits.

"Mr. Stockmar: I would like then to offer --

"Mr. Keleher: May the record show an exception on the part of Pubco?

"Mr. Porter: The record will show an exception on the part of Mr. Keleher for Pubco."

Then on Page 47:

"Mr. Porter: The hearing will come to order. Mr. Howell, did your group come to a decision?

"Mr. Howell: I believe Mr. Keleher is ready to proceed with them.

"Mr. Porter: Mr. Keleher.

"Mr. Federici: May it please the Commission and Mr. Keleher, before you proceed, on behalf of Aztec Oil Company and Calkins Oil Company and Sunset International, I assume and understand that the objections made by Pubco and El Paso are concurred in, and that the record will show that these companies which I represent also make the same objection. If there is some objection by Mr. Kellahin, I'll make a motion at this time that Exhibits 1 through 8 be stricken on the grounds stated by Pubco and El Paso and on the additional

ground that there was no sufficient foundation.

"Mr. Kellahin: We have no objection to the companies represented by Mr. Federici. We certainly do object to his motion to strike the exhibits.

"Mr. Porter: The record will show the objection as stated by Mr. Federici. They are also denied. * *"

So that it is clear from the record that the objection was clearly made, not once, but twice, and a motion to strike the exhibits as they were admitted, then on the ground they were hearsay, that they were based on hearsay and were hearsay. Those exhibits were taken for the basis of all the rest of the exhibits, but not by Consolidated. They were admitted in evidence without the man who prepared them testifying as to what was in them, how they were prepared, vouching for them, doing any of the things necessary to get a written instrument of this type into evidence. Apparently Consolidated felt because these exhibits were personal and subject to a subpoena that is all that was necessary to get them into evidence. As the Court well knows, that is not the rule insofar as hearsay exhibits are concerned, and these were admitted under that situation- what was the answer Consolidated gave us in an effort to escape that fact - they said "Well, in addition to the fact that we did not think there was any objection made before the Commission as to hearsay or any objection as to 1 and 2, we think Mr. Trueblood made those exhibits his own and he was on the witness stand, and so those exhibits are

admissible, what counsel is saying is that the deficiency that makes hearsay it is inadmissible can be cured by somebody else getting on the witness stand, ~~under oath~~, and saying "I think it is all true". If there is any authority supporting such a proposition I will be willing to toss in the towel. The fact is, those exhibits were hearsay, they were not admissible, they are not admissible in this Court because I made an objection to hearsay, and the Commission is wholly without substantial evidence to support it.

Next, I would like to refer to the proposition urged by Mr. Kellahin that the 25-75 formula which was originally promulgated and was in effect at the time Consolidated filed this application, is in issue before this Court and can be declared invalid by this Court. Now, the first and complete answer to that proposition is that whether the 25-75 formula and the order that promulgated it are valid or invalid, doesn't make the 60-40 formula and Order R-2259-C valid. There isn't any escaping that proposition. The 60-40 formula is valid on the record before the Commission, and the findings the Commission made, or it isn't valid, and the prior order has nothing to do with it, and it isn't going to breathe life into a dead horse if that horse is as dead as we think it is; but there is a further answer to that proposition, that answer is this: - and it is always gratifying in a lawsuit to take a statement opposing counsel made and turn it around - It is suggested by Consolidated that they raised the question on the validity of the 25-75 order before the Commission in

their petition for rehearing after the original order of the Commission which denied their application for a 60-40 formula after that petition for rehearing. The portion to which they refer is Paragraph 9 which reads as follows: "Order No. R-1670-C is based upon a finding that 'there is a general correlation between the deliverabilities of the gas wells in the Dakota Producing Interval and the recoverable gas in place under the tracts dedicated to the wells,' Evidence presented at the April 18, 1962 hearing of this matter conclusively shows that no such correlation exists, and that the Commission's Order No. R-1670-C is void insofar as it establishes an allowable allocation formula for the Basin-Dakota pool and should be rescinded by the Commission".

True, they did raise it in their petition for reconsideration, but the Commission failed to consider that aspect of the case. The Commission entered an order based on this petition for rehearing that they would grant a rehearing, but it would be limited to the reserve tracts under the pool. When that position was taken, Consolidated was aggrieved because they contended the Commission should hold it invalid, they should take an appeal from that order, they had another opportunity to after the order here involved had come out, after they contended the Commission should have held the 25-75 order was invalid they had an opportunity to take a cross appeal in this proceeding because that aspect had not been decided by the Commission.

The Oil Conservation Commission has not ruled on the question of whether the 25-75 order is valid or invalid.

Under the State ex rel McCord vs. Zinn decision, the Commission has got the primary administrative jurisdiction to determine even questions of jurisdiction, and until the case is exhausted the administrative remedy has not been exhausted and they failed to obtain a ruling of the Commission on the validity or invalidity on this order, and this Court now is not in a position to pass on it until the Commission passes on that question the Court cannot review it.

We respectfully suggest that that situation clearly exists and the 25-75 order is not before this Court for review at all, and I repeat again my initial statement - even if it were and even if it were invalid it wouldn't breathe life into the dead horse that we have got here.

The next proposition to which I would like to allude, mentioned by Mr. Kellahin, was with reference as I noted the statement to the fact even with computers it would be impossible for the Commission to determine and allocate allowables on the basis of reserves - - -

MR. KELLAHIN: If the Court please, I am being misquoted;

COURT: All right.

MR. KELLAHIN: The statement was that all the computers in Los Alamos could not compute the allowable, based on the contention of Mr. Verity that the reserve figure had to be determined for each tract in the pool, and in addition to

that, for a particular order which would enable each tract to determine its reserves would require a different formula for each separate tract in the pool.

MR. MALONE: Thank you. What we are talking about is reserves, the statute and the Jalmat case decisions say that the measure of correlative rights of an owner in an oil or gas pool is the recoverable gas in place under his tract, the portion of all the gas in the pool under his tract which can be produced without waste. That is what the statute guarantees him. Now, for the moment I want to forget about this argument for a moment and allude to the matter that the Commission failed to make a finding as to what could be produced without waste; but assume Consolidated's figures can be taken as they contend they can be taken, if Tract C, Tract reserves has the measure of correlative rights under each tract, this is the number of cubic feet under each pool at the time it started to be produced, that is what the portion of that can be produced without waste, and for the moment forgetting waste that is what the statute and Jalmat decision says each of these men is entitled to produce. Not, it is suggested, even though everybody admits, Mr. Trueblood himself - and let me read what he said on this subject. He was talking about this question of how to get the best pro-ration formula - Page 22 on rehearing: "Now I would like to point out at this particular time that the whole purpose of establishing the rights allowable is that the allowable percentage that a well is granted be exactly that same percentage that it bears

to the total reserves; hence the column percent allowable."

What he says is that perfect pro-ration - and everybody agrees with this - perfect pro-ration would take the tract reserve figure out of the percentage, they are after the reserves as a whole, and give you that percentage of the allowable if you had 10% of the reserves and took 10% of the allowable you get a perfect pro-ration formula.

Mr. Trueblood, on page 23: "Now if a formula could be constructed where in every instance this ratio were unity," that is where you get one for every well over here because it was getting the same percent of allowable it had in the pool reserve. " * * then there would be absolutely no abuse of correlative rights".

The position of Consolidated, apparently, those reserves cannot be determined and used as a basis for a pro-ration order, but they have determined them, they have come in to the Commission and proved, and the Commission has accepted this column which finds those reserves. Exactly what the statute decision - waste, what the measure of each of these tract owners - and got the percentage of all the reserves and everybody agrees if these figures are right, all you have to do is to take these percentages of allowable and allocate it to each well, then you have got it for every well in this column. This is what statute says is the measure. Now, the Commission came in and said it isn't practicable to allocate on the basis of it and counsel says it isn't practicable to allocate on them because it is too hard to find

them, they are too much subject to change, but they accepted these on the basis of data two years out of date and they thought it was all right, they did not think the reserves changed each month. Didn't affect the Commission, affected the correlative rights of every operator in that pool. At least for December all the month agreed, the promulgation of this order they could have used that, but they didn't, they said, "We are going to take another formula and we are going to compare it to this one and the one that compares most closely we will use it". They should have known in the beginning which was the best formula, and was this formula and these percentages they had to begin with, they said the one that comes the closest is the one we are going to accept - and if this is the closest, how can the Commission excuse themselves for not using it - these reserves they have accepted, the correlative rights of every man in the pool, and refused to use them, and have turned around and used the 60 - 40 formula and it is all right - that formula gave barely half the wells a tolerance of 60% of what they would have gotten if they had used these percentages to begin with. The idea of discarding every basis for measuring the allowable of tracts in this pool, the figure in the statute for measuring allowable, and turned around and accepted a formula because it comes closer to this than the other one, and still does not give barely half the wells in the pool what it was entitled to have,

and we say that is arbitrary, capricious and not supported by substantial evidence and is completely avaricious, but it is all demonstrable.

And before I close on this I would just like to say again, if Consolidated had not come in here and vouched for these figures and sold them to the Commission, which established the extent of the rates of each owner in that pool perhaps there would have been some basis for using an approximation - a comparison, but they established here what each well in that pool was entitled to get, and as Mr. Verity said - as our counsel took exception to, with all the computers in Los Alamos - we knew and the Commission knew and they knew just what percentage of that they were entitled to get, and the failure to give it to them is a direct violation of the statute.

Now Consolidated and the Commission say "but the trouble is, these figures change". That same trouble exists sofar as the 60-40 formula is concerned, because they only adopted the 60-40 formula because it corresponded more closely to those figures, and they say those change and "we cannot make a basis of allocation", but they accepted another formula because it is better for their formula than this one. I respectfully submit it is capricious. It would have seemed in the argument yesterday we touched an exposed nerve when we mentioned the fact that they were the owners of 50 wells

out of some 1200 who are in here before the Court supporting this new formula, and about the owners of - of about eight or nine times that many wells are opposing it, but the fact is that the effect of this formula is felt in each individual well. I said we touched an exposed nerve because each of the three counsel on the other sides undertook that and attempted to offset it, but it is a fact that cannot be completely ignored, and to supplement it is the fact that the record shows by the testimony of one of the witnesses in the record that the change of formula made in his calculations would redistribute the ownership of $500,000.00 worth of gas here as long as that formula is in effect. It took the owners from the formula from which this pool was developed, had drilled wells, gone to banks and borrowed money, predicated and planned on a 25-75 formula; and on an order such as this they have been deprived of $500,000.00 a year income, and in reliance under the Commission's former order they were entitled to - I agree the Commission has a right to change it, but in that situation the reason for changing it and the proof. The new order is - for all the people in the pool becomes extremely important. The testimony further was as a result of this change Consolidated would get an increase of $12,000.00 a month in the gas it would produce in its wells, gas that theretofore had been allocated in other wells. We are not talking about chicken feed, we are talking about

Fifteen Million Dollars of property values which have been redistributed by the Commission, based on the reason we have just discussed.

I have one final point, and that relates to the first point that was discussed in our argument yesterday, and was presented so ably by Mr. Federici. I would hate to have to guess how many times the word "Jalmat" has been mentioned in the argument in this case, but it is appropriate it should be, because the Jalmat decision I think everybody agrees is going to be the standard by which it is going to be determined. Whether this order is valid or invalid, and when this case gets to the Supreme Court, as it inevitably will, the measuring stick which the Supreme Court is going to apply, and the measuring stick which we are using in this Court will apply for the Jalmat case, and if the Supreme Court said an exact situation as this had to be done in order to get a change in pro-ration formula.

I think before discussing the argument that was made in an effort to show really if the Commission did make Finding No. 4 - what proportions of the arrived at proportions can be arrived at without waste, what proportions of the gas under each tract can be recovered without waste - I think everybody but Mr. Kelly took a crack at it, trying to answer that proposition - we were interested in the answer - what the answer was going to be, because the finding wasn't there, the first three findings were there but

fourth one just wasn't there, and I must say I pay great tribute to the ingenuity of counsel in showing up every reason in the world and every excuse in the world, but the fact is the answer isn't there. The others are there but that fourth one is just not there. Now, what did the Jalmat decision say about these orders - I think it might provide a platform to look at them if we would look for a minute at just what the Court said in Jalmat, Page 318; "Proceeding to Appellants argument that the order does not rest upon authorized statutory basis," that was the attack, that is the attack here, the Supreme Court then said what that authorized statutory basis is, and they said (1) it requires findings of certain preliminary matters on the bassis of which the correlative rights of the tracts in the pool will be determined and then we have to test the formula to see whether the formula - to see whether the formula protects those correlative rights as the statute requires, but the Court said "until you have made the finding to measure the correlative rights it is impossible to determine whether the order protects it"; and it is Finding No. 4 that does that. Findings 1, 2 and 3 are of no importance whatever in testing the validity of a pro-ration order except as they provide the information from which Finding No. 4 can be made, and that is what portion of the arrived at proportion

between 1 and 2, between the gas under the tract and all the gas in the pool and what can be gotten out without waste. The tract owner is only entitled to the gas under his tract that can be produced without waste, so the three findings above are of no consequence, they can add nothing to the validity of this order because they were not used to make the one finding that the whole testimony of findings was established - what is the correlative rights, what is the proportion each tract can produce without waste - they just didn't find it.

In Jalmat, the Court says: "In order to protect correlative rights, it is incumbent upon the commission to determine, 'so far as it is practical to do so', certain foundationary matters, without which the correlative rights of the various owners cannot be ascertained." "Therefore," says the Court, "the commission by 'basic conclusions of fact' (or what might be termed 'findings'), must determine insofar as practicable, (1) the amount of recoverable gas under each producer's tract; (2) the total amount of recoveragle gas in the pool; (3) the proportion that (1) bears to (2); and (4) what portion of the arrived at proportion can be recovered without waste". In other words, what is the measure of the correlative rights to be protected, and the Court said: "That the extent of the correlative rights must first be determined before the commission can act to protect them is manifest".

Now, can you imagine the Supreme Court having stated that and looked at this order and at the total failure of that finding and saying, as it is suggested here, "Well, this is an equivalent". The pro-ration order that will come out six months from now will find what can be produced without waste and that will supply the deficiency - in that event it will not be until six months because one comes out every six months. There just isn't any answer to it and the Supreme Court has an order laid down and it is listed in this order: "The practical necessity for findings such as those mentioned is made evident, under the provisions of Section 65-3-14(b) and (f) pertaining to allocation of allowable production) and Section 65-3-29(h) (defining 'correlative rights').

And again the Court said, at Page 320: "Further, that portion of the same finding that there is a 'general correlation between deliverabilities of the gas wells in the Jalmat Gas Pool and the recoverable gas in place under the tracts dedicated to said wells is not tantamount to a finding that the new formula is based on the amounts of recoverable gas in the pool and under the tracts, insofar as these amounts can be practically determined and obtained without waste." And once more they said you have got to find the reserves under each tract that can be recovered without waste. "Such findings are necessary requisites to the validity of the order, for it is upon them that the very power of the commission to act depends."

I just don't know how the Court could have said it in plainer language what was going to happen to the first order that got up there, that didn't meet these requirements, and meet all four of them and said, "We, therefore find the order lacked the basic findings, which were necessary." And you would have thought when they said all that made this thing clear, but sure enough they got over to whether the Commission was a necessary party and went back to it again.

Page 323, Jalmat Decision: "Inasmuch as there is no express mention of prevention of waste in the commission's findings, insofar as they concern correlative rights, it is obvious that the order must have been principally concerned with protecting correlative rights. However, as we have said, certain basic findings must be made before correlative rights can be effectively protected."

You would have thought then they had certainly made it as plain as they could, and on page 324, came and again said; "To state the problem in a different way, if the commission had determined from a practical standpoint, that each owner had a certain amount of gas underlying his acreage; (1) that the pool contained a certain amount of gas; (2) and that a determined amount of gas could be produced and obtained without waste; " number 4, but it isn't there - "then the commission would have complied with the mandate of the statute and its actions would have been protecting the public interest *."

It seems to be here it didn't make that finding, it wasn't protecting the interest of the public and the order is invalid. I don't want to labor that proposition any further, except to say we had every kind of suggestion in the world yesterday as to how the Respondents would like to meet this deficiency, it was suggested a pro-ration order a month from now, and one at six month intervals would meet this deficiency, but it doesn't get it. It says you have got to find the correlative rights in this order, and secondly, that six months' pro-ration order finds what portion of the allowable can be produced without waste, not what protion of the reserves can be produced without waste. The two are as different as day and night, they have no relation to each other and they certainly cannot provide this deficiency.

Mr. Stockmar suggested - insisted in saying correlative rights in the Jalmat case and the statute if you put in the definition in the statute you get out the waste in there and that will take care of it and he would be exactly right if the Commission had found that these reserves, or whatever reserves there are constitute the correlative rights of the parties, then there would have been the portion that could have been produced without waste, and Mr. Stockmar's argument would have been sound, but there is no finding of the correlative rights of the parties and the argument is just

as fallacious as the one that preceded it. Mr. Stockmar suggested if a good fair pro-ration order comes out of it the No. 4 will be taken care of, and the only thing you have got to have a good opinion. Now, what I just read from the case, the Commission has got to find those correlative rights and they are not found until No. 4 is found in the order. That No. 4 wasn't found in the order and that the order for that reason is invalid.

Thank you very much your Honor.

COURT: Do you have any thoughts on Mr. Tittmann's suggestion yesterday, about the other case in relation to this case?

MR. MALONE: Speaking for myself, Mr. Tittmann felt the other case was going to be decided in a few months, and I think it is a good thing to have in mind, but I say we have done the work, the Judge has listened to the arguments and this case will have to be on its way to the Supreme Court later. Now we should go on with this case because if this Court is firm with this case that will have no effect on this case, and if it is reversed there are so many ways it might be reversed I think we should ignore it, with all deference to my amicus curiae.

MR. TITTMANN: May I make my suggestion plainer - We support the Petitioners here and adopt all of their arguments. The order being appealed from, it would make our appeal in the other case moot, and that may be a technical and persuasive reason why the Court would adopt the

arguments of the Petitioners in this case.

MR. FEDERICI: I join in Mr. Malone's feelings.

MR. VERITY: We think it would certainly be improper to delay this decision, and this order has gone into effect and because of all the complications it is almost - it certainly is an impractical thing to do, and for this reason it becomes imperative that the Court does render an early decision in appeal, for that reason we urge you do determine it.

COURT: I presume all counsel are agreed?

MR. KELLAHIN: We certainly are in agreement that this case should proceed, and we are not in agreement with Mr. Tittmann's suggestion that rendering the other case moot.

MR. KELLY: May it please the Court, my argument yesterday was actually an affirmative defense, it wasn't raised by the Petitioners in their argument, I would like to be allowed rebuttal.

COURT: No, I have heard considerable ~~argument~~, you can present it to the Supreme Court.

The transcript and Exhibits which were offered are admitted in evidence, and the Court finds the issues in favor of Respondents on the brief that the order is supported by substantial evidence and the findings are sufficient to support the order - I am holding with you on all your Consolidated defenses - I say all of them; most of them.

Railroad Commission of Texas

COMMISSIONERS
BEN RAMSEY
Chairman
ERNEST O. THOMPSON
JIM C. LANGDON

OIL AND GAS DIVISION

ARTHUR H. BARBECK
Chief Engineer

AUSTIN, TEXAS

April 6, 1964

Mr. J. M. Durrett, Jr.
Attorney
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Mr. Durrett:

Your inquiry of February 14, 1964 has been lodged on my desk for a considerable length of time. The delay, in part, was because the order was not available at the time your letter arrived, and I just recently uncovered it in the mass of debris on my desk.

As you can see the order carries no statement or conclusions, other than that the Commission order was supported by substantial evidence. Appeal was taken, but no setting has been made at this time. I will try to get copies of briefs filed when they are available and send them on to you.

I regret that this reply has been so long delayed.

Very truly yours,

Fred Young
Legal Counsel

FY:jn

NO. 130,893

W. L. PICKENS, ET AL	)	IN THE DISTRICT COURT OF
	)	
v.	)	TRAVIS COUNTY, TEXAS
	)	
RAILROAD COMMISSION OF TEXAS, ET AL	)	98TH JUDICIAL DISTRICT

JUDGMENT

On the 9th day of December, A.D. 1963, came on regularly to be heard the above-entitled and numbered cause, and thereupon came the Plaintiffs and the Defendant, the Railroad Commission of Texas, and the members thereof, and in addition thereto came also W. F. Westbrook, John W. Melton, O. C. (Clyde) Ellis, W. A. Campbell, Mrs. Eva Hurt, W. E. Burton, Helen H. Burton, C. A. Walker, Stella Mae Walker, L. L. Parrott, Nadine Parrott, B. F. Douglas, Callie Dickerson, N. J. Dickerson, J. C. House, Perry Travis, Merle S. Travis, R. H. Venable, Paul C. Teas, J. M. Hazelwood, W. E. Hamilton and wife, Ola Mae Hamilton, J. B. Kitchens and wife, Cynthia Kitchens, Emily Richardson, Lela Lade, Ella Collier, Carroll Dansby and wife, Lora Dansby, Clarence C. Morton and wife, Emma V. Morton, Elizabeth S. Ellis, Thomas P. Padgitt, and Ruby N. Pagitt, individually and as guardian for Patsy Christine Pagitt, each of whom had filed pleas of intervention in said cause, joining Plaintiffs in praying that the Commission's allocation order dated March 6, 1963, be held invalid and that said Defendant Commission be enjoined from enforcing said allocation order as against Plaintiffs as well as against said Intervenor-Plaintiffs, and came also W. C. Perryman, W. R. Hughey, Albert Sklar, Leonard Phillips, Gerald Rauch, Gallant Floyd, G. William Floyd, Fred M.

Garrett, Veda Mae Glesby, B. F. Phillips Petroleum Company, Colony Gas Company, Greenbrier 60 Limited, Greenbrier 61 Limited, Jack Frost, Winwell Exploration Company, Bracken Oil Company, J. A. Dykes, individually and as attorney in fact for C. H. Lyons, Sr., C. H. Lyons, Jr., Hall M. Lyons, G. F. Abendroth, E. L. Hilliard, and J. T. Palmer, Texaco Inc., Hunt Oil Company, Amerada Petroleum Corporation and Cities Service Oil Company, each of whom had intervened in said cause and alligned themselves with the Defendant Railroad Commission, praying that Plaintiffs take nothing by reason of their suit and that said Intervenor-Defendants be awarded their costs and such other and further relief as they may show themselves to be entitled.

And thereafter, all parties, Plaintiffs and Defendant, Intervenor-Plaintiffs and Intervenor-Defendants, announced ready for trial, and during the course of the trial J. B. Kitchens and wife, Cynthia Kitchens, Lela Lade, Ella Collier, Emily Richardson, Stella Mae Walker, C. A. Walker and Joe C. House, Intervenor-Plaintiffs, were permitted to withdraw as parties to said cause, and Frank G. Evans, O. B. Mobley, Joseph J. Stephens, C. S. McCain, Jr., and Wiggins Brothers, Inc., were permitted to intervene in said cause as Intervenor-Defendants.

And no request for jury having been made, all matters of fact and of law were submitted to the Court, and the Court proceeded to consider the pleadings and the evidence, and it appearing to the Court that the law and the facts are with the Defendant and that the order of the Defendant Railroad Commission dated March 6, 1963, being Special Order No. 5 & 6-51,175, is lawful and valid and supported by substantial evidence.

PRENTICE WILSON
ATTORNEY AT LAW
SUITE 1506
DALLAS FED. SAVINGS BLDG.
DALLAS 1, TEXAS
RI 7-8668

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED that all relief prayed for by Plaintiffs and Intervenor-Plaintiffs be and the same is hereby denied, that Plaintiffs and Intervenor-Plaintiffs take nothing hereby, and that the Defendant Railroad Commission and Intervenor-Defendants herein do have and recover from Plaintiffs and Intervenor-Plaintiffs herein all costs of suit, for which let execution issue.

To all of which action the Plaintiffs and the Intervenor-Plaintiffs duly excepted in open Court and gave notice of appeal directly to the Supreme Court of Texas at Austin, Texas, pursuant to Article 1738a, V.A.C.S., and Rule 499-a, Texas Rules of Civil Procedure.

SIGNED, RENDERED AND ENTERED as of this, the 19th day of February, A.D. 1964.

/s/ Chas. O. Betts
Judge, 98th District Court,
Travis County, Texas

APPROVED AS TO FORM:

Prentice Wilson, Attorney for Plaintiffs

Fred Erisman, Attorney for W. E. Westbrook, et al, Intervenor-Plaintiffs

John L. Roach, Attorney for Paul C. Teas, Intervenor-Plaintiff

PRENTICE WILSON
ATTORNEY AT LAW
SUITE 1506
LLAS FED. SAVINGS BLDG.
DALLAS 1, TEXAS
RI 7-6668

Robert B. Payne

Robert B. Payne, Attorney for W. E. Perryman, et al, Intervenor-Defendants

/s/ Joseph Trimble

Joseph Trimble, Assistant Attorney General, Attorney for the Railroad Commission of Texas, Defendant

William P. Gibson, Attorney for Texaco Inc., Intervenor-Defendant

Robert C. McGinnis

Robert C. McGinnis, Attorney for Hunt Oil Company, Amerada Petroleum Corporation and Cities Service Oil Company, Intervenor-Defendants

PRENTICE WILSON
ATTORNEY AT LAW
SUITE 1506
DALLAS FED. SAVINGS BLDG.
DALLAS 1, TEXAS
AI 7-5665

Section 98. In the absence of a statute requiring it to do so, a public administrative agency need not grant a hearing, or make findings, in order to support the rules and regulations it adopts, since there is no constitutional right to a hearing with respect to such a matter. However, under some statutes, a hearing, as well as findings, may be necessary, as where the legislature authorizes an administrative officer to ascertain certain facts and to make a regulation containing the result of those facts. Where a statute requires that there be a hearing in order to adopt and administrative rule or regulation, the requirements of the hearing should be tested solely by the provisions of the statute.

Section 104. In passing on the validity of administrative rules and regulations, the only concern of the court is to ascertain whether the will of the legislature has been obeyed. Thus the court should consider such rules and regulations in the light of the evil which the statute under which they are promulgated seeks to eliminate or control. While a regulation of a public administrative body purporting to construe an ambiguous provision of a statute is not automatically to be deemed valid merely because it is not plainly interdicted by the terms of the particular provision construed, especially where the legislature indicates its concern that the regulations of such administrative body be subject to more than casual judicial scrutiny when they are based on a controverted construction of the statute, the court will not declare that an administrative regulation is void merely because it believes such regulation to be excessive or unsuited to its ostensible end, or because it is based on conceptions of morality with which the court disagrees.

The test of the validity of an administrative rule or regulation is not what might be done, but what can be done, under it, and only in a

clear case will the court interfere and say that such a rule or regulation is invalid because it is unreasonable or because it is in excess of the authority of the agency promulgating it. Moreover, an administrative rule or regulation must be clearly illegal, or plainly and palpably inconsistent with law, or clearly incconflict with a statute relative to the same subject matter, such as the statute it seeks to implement, in order for the court to declare it void on such ground.

It is only where an administrative rule or regulation is completely without a reational basis, or where it is wholly, clearly, or palpably arbitrary, that the court will say that it is invalid for such reason. Moreover, one who claims rights under an administrative rule may not assert the invalidity of the rule under which the rights he claims arise.

Where a rule or regulation of a public administrative agency is within the scope of the authority of such agency it is considered prima facie, or presumptively, valid and reasonable, and the one who raises the question has the burden of pleading and proving facts showing the invalidity of an administrative rule or regulation must be made so manifest by the one attacking it that the court has no choice except to hold that the administrative agency has exceeded the authority delegated. Thus he must show that such rule or regulation is clearly inconsistent with statute, or that it is clearly unreasonable, or that it is clearly inappropriate to carry out the end specified in the statute it is intended to implement.

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

DEFINITION OF SUBSTANTIAL EVIDENCE

"Ordinarily 'evidence' is deemed 'substantial' if it tips the scales in favor of the party on whom rests the burden of proof, even though it barely tips them, and he is then said to have established his case by a preponderance of the evidence and a finding in his favor on the decisive issue is thus said to be supported by substantial evidence."

Lumpkins v. McPhee, N.M. 280 P. 2d 299, 306

"Evidence is 'substantial evidence' within rule that findings of fact of trial court will be sustained on appeal if supported by substantial evidence, if reasonable men all agree, or if reasonable men may fairly differ as to whether the evidence establishes the facts found, and term may also be defined as evidence of substance, which establishes facts and from which reasonable inferences may be drawn."

Brown v. Cobb, 204 P. 2d 264, 266, 53 N.M. 169

"If reasonable men all agree or if they may fairly differ, evidence is substantial"

Marchbanks v McCullough, 182 P. 2d 420, 429, 480, 47 N.M. 18

"Determination whether there is 'substantial evidence' to support an order by Corporation Commission does not require that evidence be weighed, but only that evidence tending to support order be considered to determine whether it induces conviction that order was proper or furnished substantial basis of fact from which issue tendered could be reasonably resolved."

Cities Service Oil Co. v. Anglin, 228 P. 2d 191, 193, 204 Okl. 171

"'Substantial evidence' means evidence from which triers of fact reasonably could find issues in harmony therewith.

State v Miller, Mo. 202 S. W. 2d 887, 889.

"Under rule that decision of Public Service Commission must be affirmed if supported by substantial evidence in view of the entire record, 'substantial evidence' does not include the idea of weight of evidence."

Gateway City Transfer Co. v Public Service Commission 34 N.W. 2d 238, 242, 253 Wis. 397.

"'Substantial evidence" sufficient to sustain a finding of an administrative agency is such evidence as a reasonable man would accept as adequate to support a conclusion."

Pauline v. Lee, Fla. App. 147 So. 2d 359, 363.

"Findings of an administrative agency must be affirmed if, taking the record as a whole, they are supported by 'substantial evidence' which is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."

Boston & M. R. R. vs U.S.D.C. Mass. 208 F. Supp. 661, 670

"'Substantial evidence' is a rational basis for the conclusion approved by the administrative board and is such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."

Ex Parte Morris, 83 So. 2d 716, 720, 263 Ala. 664

"Under the administrative Procedure Act provisions that no administrative order shall be issued unless it is supported by 'substantial evidence', quoted phrase means the kind of evidence a reasonable mind might accept as adequate to support a conclusion."

John W. McGrath Corp. v Hughes, C.A.N.Y, 264 F. 2d. 314, 316

"The conventional formula for judicial application of the 'substantial evidence rule' that factual findings of an administrative agency are final if supported by substantial evidence, is that there must be such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."

Freud v. Davis 165 A. 2d 850, 852, 64 N.J. Super 242

"'Substantial evidence' which will sustain the finding of an administrator in an administrative proceeding means enough evidence to justify, if the trial were to a jury, a refusal to direct a verdict when conclusion sought to be drawn from it is one of fact for the jury."

Larmay v. Hobby, D.C. Wis. 132 F. Supp. 738, 740

"If there is substantial evidence to support a finding of the Federal Trade Commission, its order must be affirmed, and 'substantial evidence' means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."

Edelmann & Co. v Federal Trade Commission, C.A. 239 F. 2d, 152, 154

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

"'Substantial evidence' supporting findings of the Secretary mean enough evidence to justify if the trial were to a jury, a refusal to direct a verdict when the conclusion sought to be drawn from it is one of fact for the jury."

Craig v. Ribicoff, D.C.N.C. 192 F. Supp. 479, 481

"'Substantial evidence is evidence which if true, has probative force upon the issue, that is evidence favoring facts which are such, that reasonable men may differ as to whether it establishes them and it is evidence from which the triers of fact reasonably could find the issues in harmony therewith."

Davis v. State Dept. of Public Health and Welfare, Mo. App. 274 S.W. 2d 615, 617

"The scope of judicial review of quasi-judicial determination of administrative tribunals is governed by the 'substantial evidence' rule which is whether on whole record there is substantial evidence to support the administrative determination."

Phinn v. Kross, 186 N.Y.S. 2d 469, 472, 8 A.D. 2d 132.

"On appeal from order of Public Utility Commission granting motor carrier certificate of convenience and necessity, inquiry of Superior Court is whether there is 'substantial evidence' to support the finding, and 'substantial evidence' means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, or competent and relevant evidence having a rational probative force."

Pittsburgh & L.E. R. Co. v. Pennsylvania Public Utility Commission, 85 A. 2d 646, 649, 170 Pa. Super. 411

"To be 'substantial' evidence must be strong enough to raise a presumption of fact and must be sufficient when undenied to establish the fact."

Otis & Co. vs Securities & Exchange Commission, C.A.D.C., 176 F. 2d 34, 43.

See 364 P. 2d 349, 69 N.M. 91 for latest definition

MEMO RE: SUBSTANTIAL EVIDENCE

Our Supreme Court on appeals from administrative bodies states that the questions to be answered by the Court are questions of law and are actually restricted to whether the administrative body is acting fraudently, arbitrarily or capriciously, whether the order was supported by substantial evidence, and generally, whether the action of the administrative body was within the scope of its authority. (Johnson vs. Sanchez 351 P.2d 449, 67 N.M. 41)

It could well be contended that the substantial evidence rule applies to administrative bodies in instances where their order is based upon a finding where the administrative bodies' action was of a quasi judicial nature, but that the substantial evidence rule does not apply to administrative bodies where their action pertains to their rule-making authority, where their action is in the nature of an administrative or a legislative nature. This is particularly true where the standard of proof required for the administrative action has been set by statute as is the case at hand.

> "The 'substantial evidence' rule was held not applicable on review of a determination as to which the legislature had specified a standard of proof required for the administrative determination, that is, where a commissioner was required to make a finding 'by the preponderance of the evidence.'" (2 Am.Jur. 2d, Sec. 661, p.527)

It can be argued that the portion of the order appealed from relating to findings of fact, such as jurisdiction over the parties, and to their proper notice having been given, etc., all of which are quasi judicial findings, must be supported by substantial evidence. On the other hand, the administrative findings upon which the rules and regulations are promulgated does not require substantial evidence to support them.

> Section 65-3-14.
> "Equitable allocation of allowable production—Pooling—Spacing.—(a) The rules, regulations or orders of the commission shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practicably

obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas or both in the pool, and for this purpose to use his just and equitable share of the reservoir energy."

Similarly, the Legislature defined correlative rights as follows:

Section 65-3-29
"(h) 'Correlative rights' means the opportunity afforded, so far as it is practicable to do so, to the owner of each property in a pool to produce without waste his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as can be practicably obtained without waste, * * *."

Our Supreme Court in the case of

Continental Oil Co. v. Oil Conservation Commission of New Mexico, 373 P.2d 809, 70 N.M. 310

recognized the Commission's power to allocate allowables as being of a legislative nature and it recognized the legislature's specified standard of proof required.

"The commission was here concerned with a formula for computing allowables, which is obviously directly related to correlative rights, it is incumbent upon the commission to determine, 'so far as it is practical to do so,' certain foundationary matters, without which the correlative rights of the various owners cannot be ascertained. Therefore, the commission, by 'basic conclusions of fact' (or what might be termed 'findings'), must determine, insofar as practicable, (1) the amount of recoverable gas under each producer's tract; (2) the total amount of recoverable gas in the pool; (3) the proportion that (1) bears to (2); and (4) what portion of the arrived at proportion can be recovered without waste. That the extent of the correlative rights must first be determined before the commission can act to protect them is manifest.

* * * * *

"Additionally, it should be observed that the commission, 'in so far as in practicable, shall prevent drainage between producing tracts in a pool which is not equalized by counter-drainage,' under the provisions of Sec. 65-3-13 (c)."

The Court in the Continental Oil Company case found that the commission made no jurisdictional findings (in which instance it would be acting in a quasi judicial nature) but in regard to its authority to promulgate such rules said:

"We therefore find that the order of the commission lacked the basic findings necessary to and upon which jurisdiction depended, and that therefore Order No. R-1092-C and Order No. R-1092-A are invalid and void. We would add that although formal and elaborate findings are not absolutely necessary, nevertheless

> basic jurisdictional findings, supported by evidence, are required to show that the commission has heeded the mandate and the standards set out by statute."

The Court did not say that the basis upon which the commission acted in promulgating its rules and regulations must be based upon substantial evidence.

The court concluded by saying:

> "It is acting in an administrative capacity in following legislative directions, and not in a judicial or quasi-judicial capacity. The commission's actions are controlled by adequate legislative standards, and it is performing its functions to conserve a very vital natural resource."

MEMO RE: APPEAL AND ERROR

Upon doubtful or deficient record, every presumption is indulged in favor of correctness and regularity of decision of court below. Coastal Plains Oil Co. v. Douglas, 364 P.2d 131, 69 N.M. 68.

The Supreme Court on appeal will consider the features of the transcript most favorable to the party prevailing below. State ex rel. State Highway Commission v. Tanny, 359 P.2d 350, 68 N.M. 117.

In reviewing evidence on appeal to determine whether verdict is supported by evidence, court must view evidence in aspect most favorable to verdict, indulging in all reasonable inferences to be drawn therefrom, and disregarding all unfavorable testimony and inferences. Reid v. Brown, 240 P.2d 213, 56 N.M. 65.

In reviewing evidence on appeal, all conflicts must be resolved in favor of successful party, and all reasonable inferences indluged in to support the judgment, and all evidence and inferences to the contrary will be disregarded. Little v. Johnson, 242 P.2d 1000, 56 N.M. 497.

When a verdict is attacked as being unsupported, it is the duty of the appellate court to view the evidence in the most favorable aspect, indulging in all reasonable inferences to be drawn therefrom, and disregarding all unfavorable testimony and inferences, to sustain the verdict. Silva v. Haake, 245 P.2d 835, 56 N.M. 497.

All presumptions are in favor of the judgment. Tri-Bullion Corp. v. American Smelting & Refining Co., 277 P.2d 293, 58 N.M. 787.

Supreme Court will not reverse decision of trial court if there is substantial evidence to support findings, and in reviewing record, Supreme Court must consider evidence in light most favorable to appellee. Edwards v. Peterson, 295 P.2d 858, 61 N.M. 104.

Every presumption is indulged in favor of correctness of judgement. Transport Trucking Co. v. First Nat. Bank in Albuquerque 300 P.2d 476, 61 NM 320.

In reviewing evidence on appeal, all disputed facts are resolved in favor of the successful party and all reasonable inferences indulged in to support the judgment, and all evidence and inferences to the contrary will be disregarded and the evidence viewed in the aspect most favorable to the judgment. Hine v. Hines, 328 P.2d 944, 64 N.M. 377.

Under the "substantial evidence rule," Supreme Court on review will consider features of transcript most favorable to party prevailing below. Lindley v. Lindley, 356 P.2d 455, 67 N.M. 439

Appellate Court must reconcile any doubt or inconsistency in findings in favor of trial court's judgment. Heine v. Reynolds, 367 P.2d 708, 69 N.M. 398

In examining evidence to determine whether trial court's finding is supported by substantial evidence, Supreme Court will view evidence in light most favorable to supporting finding. Montano v. Saavedra, 373 P.2d 824, 70 N.M. 332.

Where findings are uncertain, doubtful or ambiguous, reviewing court should indulge all presumptions in favor of correctness of judgment. Batte v. Stanley's 374 P.2d 124, 70 N.M. 364.

Supreme Court must view evidence, together with all reasonable inferences to be deduced therefrom, in light most favorable to successful party, and all evidence to the contrary must be disregarded, where the appellant asserts that evidence does not substantially support trial court's findings of fact. Trujillo v. Clark, 377 P.2d 958, 71 N.M. 288.

Reviewing court will not weigh conflicting evidence, but will resolve conflict so as to uphold judgment. Moore v. Moore, 379 P.2d 784, 71 N.M. 495.

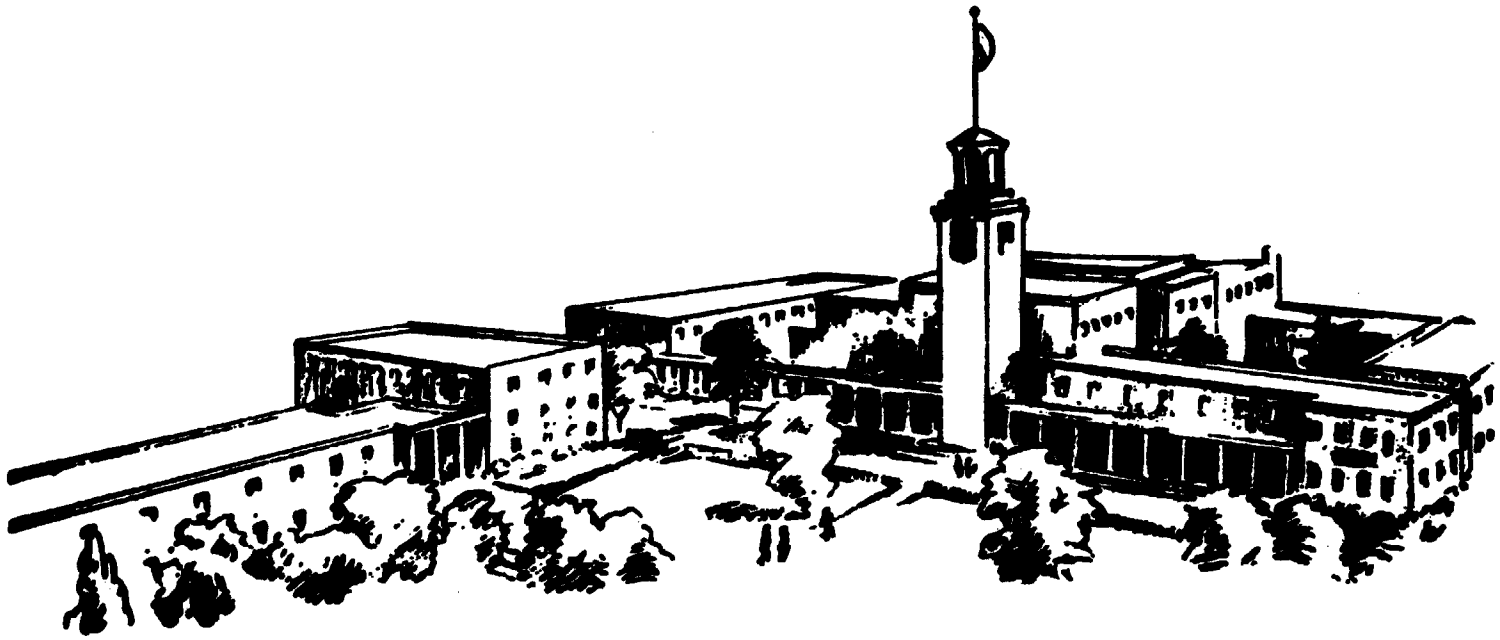
Where verdict is attacked on appeal as not being supported by substantial evidence, Supreme Court must view evidence and all inferences flowing therefrom in light most favorable to appellee and to validity of verdict. Ruiz v. Hedges, 364 P.2d 136, 69 N.M. 75.

VOLUME OF ALLOCATION OF BASIN DAKOTA STUDY, EXHIBIT-A, ORDER NO. R-2259B.
SUMMARY TOTALS INCLUDE ALL WELLS WITHIN THE .7 TO 1.3 TOLERANCE AS
DEFINED BY THE ASTERISK.

25 – 75 FORMULA		60 – 40 FORMULA	
VOLUME	COUNT	VOLUME	COUNT
~~3095366~~ 2,324,252	281	~~2536502~~ 3,277,694	352

SAN JUAN BASIN GAS PRORATION SCHEDULE

New Mexico
Oil Conservation Commission



AUGUST, 1963

ORDER NO. AG-N-17-A

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER No. AG-N-17-A

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH OF AUGUST, 1963

The Commission held public hearing at Santa Fe, New Mexico, on July 17, 1963, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for the month of August, 1963.

Blanco-Mesaverde, Basin-Dakota, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, South Blanco-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, Tapacito-Pictured Cliffs, West Kutz-Pictured Cliffs, and Devils Fork-Gallup.

NOW, on this 17th day of July, 1963, the Commission a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) That the total nomination of purchasers of gas produced from the above-listed nine gas pools for the month of August, 1963, is 22,194,691 MCF. The individual pool nominations, which total 22,194,691 MCF, are as follows:

Blanco-Mesaverde	9,422,300 MCF
Basin-Dakota	7,651,500 MCF
Aztec-Pictured Cliffs	614,900 MCF
Ballard-Pictured Cliffs	678,800 MCF
South Blanco-Pictured Cliffs	2,598,200 MCF
Fulcher Kutz-Pictured Cliffs	305,400 MCF
Tapacito-Pictured Cliffs	513,400 MCF
West Kutz-Pictured Cliffs	248,400 MCF
Devils Fork-Gallup (adjusted)	164,791 MCF

(2) That the potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed nine gas pools should be limited, allocated, and distributed during the month of August, 1963.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 22,194,691 MCF without causing waste during the month of August, 1963, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of August, 1963, the allowable production to be assigned the nine allocated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, is as follows:

Blanco-Mesaverde	9,422,300 MCF
Basin-Dakota	7,651,500 MCF
Aztec-Pictured Cliffs	614,900 MCF
Ballard-Pictured Cliffs	678,800 MCF
South Blanco-Pictured Cliffs	2,598,200 MCF
Fulcher Kutz-Pictured Cliffs	305,400 MCF
Tapacito-Pictured Cliffs	513,400 MCF
West Kutz-Pictured Cliffs	248,400 MCF
Devils Fork-Gallup	164,791 MCF

(2) That the allocation hereby set for the month of August, 1963, in the nine allocated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, shall be in accordance with the Commission Rules and Regulations, and Orders.

(3) That a proration schedule, duly prepared by the Commission and thereafter adopted for the month of August, 1963, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Commission Rules and Regulations, and Orders.

The foregoing order shall remain effective until further order of the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

dag

NORTHWEST GAS PRORATION FACTORS BY PIPELINES

AUG. 1963 SUMMARY PAGE 1

CT. M	ACREAGE FACTORS NM	ACREAGE FACTORS MARG	DELIVERABILITY FACTORS NM	DELIVERABILITY FACTORS MARG	A X D FACTORS NM	NOMINATIONS	AUGUST ALLOCATION MARG	AUGUST ALLOCATION NONMARG	COUNT NM	JUNE PROD. TOTAL	JUNE PROD. NONMARG.	JUNE PROD. MARG
DAKOTA SECTION					PAGE 1							
60 PERCENT ACREAGE 40 PERCENT DELIV. X ACREAGE												
BASIN DAKOTA GAS POOL												
FACTORS			F1 3473.51		F2 1.794698							
EL PASO												
34 58439	3408		707689	3042	707684	6462100	75077	3375039	586	2830391	2356649	51795
KERN COUNTY												
200			246		246			7389	2	7830	7830	
PAN AMERICAN GAS CO												
800			11692		11692	130000		48771	8	90013	85072	
PAN AMERICAN												
200			4227		4227	60000		14533	2	32326	32326	
PLATEAU INC												
100			1450		1450	14000		6076	1	14237	14237	
SOUTHERN UNION												
3 24844	300		383128	88	382376	910400	816	1550025	250	1297009	1268406	7246
SOU UNION GATHERING												
3 3842	300		33945	216	33261	75000	4435	197580	39	486953	484078	2875
TOTAL												
40 88425	4008		1142377	3346	1140936	7651500	80328	5199413	888	4758759	4248598	61916
GALLUP SECTION					PAGE 26							
100 PERCENT ACREAGE ALLOCATION												
DEVILS FORK GALLUP POOL												
FACTORS			F1 8997.94									
EL PASO												
750						109600		67335	4	27167	27167	
SOU UNION												
1 1000	200					40200	7677	97457	5	44623	35243	9380
TOTAL												
1 1750	200					149800	7677	164792	9	71790	62410	9380
MESAVERDE SECTION					PAGE 27							
25 PERCENT ACREAGE 75 PERCENT DELIV. X ACREAGE												
BLANCO MESA VERDE POOL												
FACTORS			F1 1569.71		F2 5.256029							
EL PASO												
241 142907	24050	1285461	29136	1273067	9342700	413934	9353917	1458	7783106	7368104	301323	
SOU UNION												
10 1096	1259	6169	930	6156	69600	16822	78941	30	55489	30216	16002	
SOU UNION GATHERING												
20 17365	2011	174617	2111	173634	10000	28959	1214167	176	1811185	1784662	26523	
TOTAL												
271 162240	27320	1466247	32177	1453657	9422300	459715	10647025	1654	9649780	9182983	343848	
PICTURED CLIFF SECTION					PAGE 66							
25 PERCENT ACREAGE 75 PERCENT DELIV. X ACREAGE												
AZTEC PICTURED CLIFF POOL												
FACTORS			F1 436.90		F2 5.453065							
EL PASO												
60 [illegible]	4997	50007	1701	53410	470300	47220	439455	344	553047	528709	24987	
SOU UNION												
30 C061	500	17000	973	17079	144000	7125	126403	60	84010	79423	4587	
SOU UNION GATHERING												
4 1400	1000	3000	1111	3000		10000	37240	15	3792	1956	826	
TOTAL												
94 [illegible]	5501	74940	3105	74220	614000	65371	603703	319	638339	604088	30400	

NORTHWEST GAS PRORATION FACTORS BY PIPELINES

AUG. 1963 SUMMARY PAGE 2

CT. M	ACREAGE FACTORS NM	ACREAGE FACTORS MARG	DELIVERABILITY FACTORS NM	DELIVERABILITY FACTORS MARG	A X D FACTORS NM	NOMINATIONS	AUGUST ALLOCATION MARG	AUGUST ALLOCATION NONMARG	COUNT NM	JUNE PROD. TOTAL	JUNE PROD. NONMARG.	JUNE PROD. MARG
BALLARD PICTURED CLIFF POOL												
	FACTORS		F1	472.60	F2	5.615472						
EL PASO 71	27229	7105	67863	2568	67255	552800	64621	570984	285	559977	492140	37307
SOU UNION 7	5989	700	16765	214	16614	126000	8283	129881	62	210052	204663	3612
TOTAL 78	33218	7805	84628	2782	83869	678800	72904	700865	347	770029	696803	40919
FULCHER KUTZ PICTURED CLIFF POOL												
	FACTORS		F1	259.72	F2	4.665277						
EL PASO 51	6578	5147	9501	1896	8932	155500	43194	101953	77	123646	98896	24750
SOU UNION 85	7786	7845	17047	3803	15058	149900	102547	193019	99	152143	87236	64907
TOTAL 136	14364	12992	26548	5699	23990	305400	145741	294972	176	275789	186132	89657
SOUTH BLANCO PICTURED CLIFF POOL												
	FACTORS		F1	667.76	F2	5.359048						
EL PASO 149	74077	15181	268395	13203	267906	2328400	183455	2113846	766	2169757	2024024	134384
SOU UNION 21	7993	2075	39126	5009	38880	269800	45968	307704	85	224676	190919	33757
TOTAL 170	82070	17256	307521	18212	306786	2598200	229423	2421550	851	2394433	2214943	168141
TAPACITO PICTURED CLIFF POOL												
	FACTORS		F1	835.94	F2	2.628984						
EL PASO 14	8168	1385	56365	1295	56729	331300	18339	235759	81	259824	213102	17335
SOU UNION 2	3800	200	57436	114	57436	182100	2615	185379	38	219430	217237	2193
TOTAL 16	11968	1585	113801	1409	114165	513400	20954	421138	119	479254	430339	19528
WEST KUTZ PICTURED CLIFF POOL												
	FACTORS		F1	258.48	F2	3.023010						
EL PASO 52	7383	5186	20699	1570	18597	192700	53024	128324	100	141542	130791	10751
SOU UNION 10	3477	994	9486	275	9261	55700	6744	43730	37	16280	15293	987
TOTAL 62	10860	6180	30185	1845	27858	248400	59768	172054	137	157822	146084	11738

AUGUST 1963 NORTHWEST GAS PRORATION POOL BALANCING SCHEDULE

	BASIN DAKOTA POOL		DEVILS FORK GALLUP		BLANCO MESAVERDE	
August Nominations		7,651,500		149,800		9,422,300
Volumetric Withdrawal Adjustment				+ 14,991		
June Net Allowable	9,711,871		393,930		9,681,988	
June Production	4,310,514 -	5,401,357	71,790		9,526,830 -	155,158
July Nominations	7,025,000		146,800		8,378,900	
July Current Allowable	4,075,724 +	2,949,276	160,426		6,999,043 +	1,379,857
Total August Pool Allocation		5,199,419		164,791		10,646,999
Less: August Minimum Allowable TN	-0-		-0-		14,000	
Less: August Low Acreage NM	-0-		-0-		-0-	
Less: August Marginal Allocation	80,328	80,328	7,677	7,677	445,715	459,715
Total August Non Marginal Pool Allocation		5,119,091		157,114		10,187,284
Non-Marginal Acreage Allocation Factor	3473.51		8977.94		1569.71	
Non-Marginal A x D Allocation Factor	1.794698		-0-		5.256029	
Actual Pool Allocation		5,199,413		164,792		10,647,025
August Supplements to June Net Allowable		- 455,995		- 5,625		- 93,076
August Supplements to July Current Allowable		+ 89,548		- 4,364		+ 29,375
Am't. August Minimum Allowable Acreage Factor TN		-0-		-0-		14.15
Am't. August Minimum Allowable A x D Factor TN		-0-		-0-		915
Am't. August Low Acreage Acre Factors NM		-0-		-0-		-0-
Am't. August Low Acreage A x D Factors NM		-0-		-0-		-0-
Number of Minimum Allowable Wells TN		-0-		-0-		14
Number of Low Acreage Wells NM		-0-		-0-		-0-
Total Participating Number of Wells		928		10		1,928
Total Participating Acreage Factors NM		884.25		17.50		1622.48
Total Participating Deliverability Factors NM		1,142,377		-0-		1,466,247
Total Participating A x D Factors NM		1,140,936		-0-		1,453,657
Number of Delinquent Wells NM		-0-		-0-		4
Am't. Delinquent Deliv. Acreage Factors NM		-0-		-0-		4.00
Total Marginal Production of Pool		61,916		9,380		343,848
Percent NM Allow. Distributed on Basis of Acreage		60		100		25
Percent NM Allow. Distributed on Basis of A x D		40		-0-		75

ALL VOLUMES ARE MCF GAS @ 15.025 PSIA @ 60° F.

AUGUST 1963 NORTHWEST GAS PRORATION POOL BALANCING SCHEDULE

	AZTEC PC POOL		BALLARD PC POOL		FULCHER KUTZ PC POOL	
August Nominations		614,900		678,800		305,400
Volumetric Withdrawal Adjustment						
June Net Allowable	607,918		956,128		307,577	
June Production	634,488 +	26,570	737,722 -	218,406	275,789 -	31,788
July Nominations	604,000		669,300		290,000	
July Current Allowable	641,768 -	37,768	428,839 +	240,461	268,645 +	21,355
Total August Pool Allocation		603,702		700,855		294,967
Less: August Minimum Allowable TN	12,000		15,000		24,000	
Less: August Low Acreage NM	-0-		-0-		7,500	
Less: August Marginal Allocation	53,278	65,278	57,904	72,904	114,241	145,741
Total August Non Marginal Pool Allocation		538,424		627,951		149,226
Non-Marginal Acreage Allocation Factor	436.90		472.60		259.72	
Non-Marginal A x D Allocation Factor	5.433065		5.615472		4.665277	
Actual Pool Allocation		603,703		700,865		294,972
August Supplements to June Net Allowable		+ 1,509		+ 32		+ 4,251
August Supplements to July Current Allowable		+ 444		- 180		+ 1,353
Am't. August Minimum Allowable Acreage Factor TN		12.05		15.00		23.20
Am't. August Minimum Allowable A x D Factor TN	621		758		1,562	
Am't. August Low Acreage Acre Factors NM	-0-		-0-		1.80	
Am't. August Low Acreage A x D Factors NM	-0-		-0-		267	
Number of Minimum Allowable Wells TN	12		15		24	
Number of Low Acreage Wells NM	-0-		-0-		5	
Total Participating Number of Wells	378		425		312	
Total Participating Acreage Factors NM	308.09		332.18		143.64	
Total Participating Deliverability Factors NM	74,942		84,628		26,548	
Total Participating A x D Factors NM	74,326		83,869		23,990	
Number of Delinquent Wells NM	-0-		-0-		2	
Am't. Delinquent Deliv. Acreage Factors NM	-0-		-0-		2.00	
Total Marginal Production of Pool	30,400		40,919		89,657	
Percent NM Allow. Distributed on Basis of Acreage	25		25		25	
Percent NM Allow. Distributed on Basis of A x D	75		75		75	

ALL VOLUMES ARE MCF GAS @ 15.025 PSIA @ 60° F.

AUGUST 1963 NORTHWEST GAS PRORATION POOL BALANCING SCHEDULE

	SOUTH BLANCO PC		TAPACITO PC		WEST KUTZ PC	
August Nominations		2,598,200		513,400		248,400
Volumetric Withdrawal Adjustment						
June Net Allowable	3,226,395		640,071		311,243	
June Production	2,383,084 -	843,311	449,867 -	190,204	157,822 -	153,421
July Nominations	2,466,900		449,400		238,600	
July Current Allowable	1,800,258 +	666,642	351,459 +	97,941	161,525 +	77,075
Total August Pool Allocation		2,421,531		421,137		172,054
Less: August Minimum Allowable TN	29,000		-0-		27,000	
Less: August Low Acreage NM	-0-		-0-		-0-	
Less: August Marginal Allocation	200,423	229,423	20,954	20,954	32,768	59,768
Total August Non Marginal Pool Allocation		2,192,108		400,183		112,286
Non-Marginal Acreage Allocation Factor	667.76		835.94		258.48	
Non-Marginal A x D Allocation Factor	5.359048		2.628984		3.023010	
Actual Pool Allocation		2,421,550		421,138		172,054
August Supplements to June Net Allowable		- 13,602		- 14,013		- 1,686
August Supplements to July Current Allowable		+ 4,940		+ 4,270		+ 285
Am't. August Minimum Allowable Acreage Factor TN		28.97		-0-		26.71
Am't. August Minimum Allowable A x D Factor TN		1,509		-0-		2,167
Am't. August Low Acreage Acre Factors NM		-0-		-0-		-0-
Am't. August Low Acreage A x D Factors NM		-0-		-0-		-0-
Number of Minimum Allowable Wells TN		29		-0-		27
Number of Low Acreage Wells NM		-0-		-0-		-0-
Total Participating Number of Wells		1,021		135		199
Total Participating Acreage Factors NM		820.70		119.68		108.60
Total Participating Deliverability Factors NM		307,521		113,801		30,185
Total Participating A x D Factors NM		306,786		114,165		27,858
Number of Delinquent Wells NM		3		-0-		1
Am't. Delinquent Deliv. Acreage Factors NM		3.00		-0-		1.00
Total Marginal Production of Pool		168,141		19,528		11,738
Percent NM Allow. Distributed on Basis of Acreage		25		25		25
Percent NM Allow. Distributed on Basis of A x D		75		75		75

ALL VOLUMES ARE MCF GAS @ 15.025 PSIA @ 60° F.

EXPLANATION OF CURRENT STATUS CODE COLUMN

NORTHWEST GAS PRORATION SCHEDULE

A — ALLOWABLE CANCELLED
Signifies that the well's allowable has been cancelled for failure to file an annual deliverability test. Wells so classified may be produc unless ordered shut-in by the Commission.

XM — EXEMPT (MARGINAL)
Signifies a marginal well which is exempt from taking the annual deliv ability test. This determination is made on the basis of the well's ability to produce.

IN — INTERFERENCE TEST (NON-MARGINAL)
Signifies a non-marginal well which is on "Communication" test in accordance with Order R-939.

BN — BUILD-UP TEST (NON-MARGINAL)
Signifies a non-marginal well which is on "Pressure Build-up" test in accordance with Orders R-939, and R-1055.

TN — MINIMUM ALLOWABLE (NON-MARGINAL)
This category is equivalent to the XM classification except that these wells will be assigned a minimum allowable of 1000 MCF/Mo. and will earn an over/under status.

N — NON-MARGINAL
Signifies a non-marginal well with allocation based upon the appropriat formula.

M — MARGINAL
Signifies a marginal well with a constant allowable granted on the basis of the highest producing month during the preceding six months period. This allowable is only a preliminary allowable. The actual allowable is equal to the wells production up to the well's calculated non-marginal allowable. A marginal well which produces more than its non-marginal allowable during the time it is classified as marginal will be subject to reclassification to non-marginal and the production in excess of its non-marginal allowable charged to its status.

X — SIX TIMES OVER-PRODUCED FLAG
This flag in the over/under produced field of the schedule signifies those wells which have over produced six or more times the latest current allowable shown in the schedule.

NC — NEW CONNECTION
Signifies newly connected non-marginal wells.

L, N OR M — LOW ACREAGE NON-MARGINAL OR MARGINAL
Signifies a well which has been granted a maximum allowable of 1500 MCF, Mo. by order of the New Mexico Oil Conservation Commission to prevent premature abandonment. The N or M signifies non-marginal or marginal as the case may be.

NOTE: Some of the wells listed on this schedule may have been shut-in by the Commission. In all such cases both the operator and transporter are individually notified by supplements which take precedence over this schedule. In no event shall a shut-in well be produced until released by the Commission.

NORTHWESTERN NEW MEXICO
PIPELINE AND GAS PURCHASER ABBREVIATIONS

BAR	BARLOWS
BRC	BEELINE REFINING CO
BSW	BASIC SEDIMENT AND WATER
BOW	BOWEN TRUCKING
CON	CONTINENTAL PIPELINE CO
EGC	EASTSIDE GATHERING CO
EPG	EL PASO NATURAL GAS CO
EPP	EL PASO NATURAL GAS PRODUCTS CO
F B	FOUTZ AND BURSUM
FCP	FOUR CORNERS PIPELINE
GLC	GAS LEASING CORPORATION
GLF	GULF REFG CO
HGG	HORSESHOE GALLUP GASOLINE CORP
INL	INLAND CRUDE INC
INJ	INJECTED MCF
JGC	JALOU GAS CO
JGM	J GREGORY MERRION AND ASSOC
KKS	K K AND S OIL CO
LAM	LAMAR TRUCKING CO
LOS	LOST OIL OR GAS
LSE	USE ON LEASE OIL OR GAS
LUN	LUNA EAVES CO
M H	M H TRUCKING INC
MCW	MCWOOD CORP
NMT	N M TANKERS
OLG	USE OFF LEASE GAS
ORC	ORIENTAL REF CO
PAG	PAN AMERICAN GAS CO
PLA	PLATEAU INC
PYD	PYRAMID OIL CO
REP	GAS USED FOR REPRESSURING
ROG	FRED ROGERS
SMO	SOCONY MOBIL OIL CO INC
SUG	SOUTHERN UNION GATHERING
S U	SOUTHERN UNION
SMC	SUNRAY MID CONT CENTRAL COMPRESSOR
T B	TOM BRILEY
TPL	TORONTO PIPELINE CO
TWP	TRANS WESTERN PIPELINE CO
TWT	TRANSWESTERN TANKERS
UNK	UNKNOWN
USM	U S BUREAU OF MINES
VAR	VARIOUS
VNT	VENTED OR UNACCOUNTED
WGC	WESTERN GAS COMPRESSING CO

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
BASIN DAKOTA GAS POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
AINSLIE PERRAULT INVESTMENT CO.									
BLANCO FEDERAL									
1M2025 9	N	100	4859-	15843	20702 EX	3573	17129-	5143	930
AMERADA PETROLEUM CORPORATION									
JICARILLA A									
3N2325 5	N	100	306-	798	1104 EX	1648	544	3825	196
6E2625 5	N	100	5708-	130	5838 EX	2076	3762-	4118	359
JICARILLA APACHE B									
9A2024 5	N	100	77725-		X077725 EX	7261	70464-	7666	2336
10K2024 5	NC	100	44626-	123	X044749 EX	6771	37978-	7330	2149
11A1924 5			6533-	17692	24225 EX		24225-		
12A3024 5				31531	31531 EX		31531-		
13A2924 5				7767	7767 EX		7767-		
JICARILLA F									
6D2225 5	N	100	86019	36148	49871	32742	82613	25100	12050
9P1625 5	N	100	34438-	213	34651 EX	12083	22568-	10965	4174
10C1625 5			13122-	40942	54064 EX		54064-		
ANDERSON AND BEARD OIL COMPANY									
FEDERAL									
1J29313	N	100	6328-	212	6540 EX	2689	3851-	4538	593
ASPEN CRUDE PURCHASING COMPANY									
JICARILLA									
1D 424 5	M	100	2898	2898		3331	3331	3331	80
AUSTRAL OIL COMPANY									
HUERFANITO FEDERAL									
1H3327 9			34160-	87	34247 EX		34247-		
AZTEC OIL AND GAS COMPANY									
HAGOOD FEDERAL									
3P3429 13	N	100	1947-	124	2071 EX	2091	20	4129	365
4D3429 13	N	100	26236-	347	26583 EX	4497	22086-	5774	1282
5P2991 13	M	100	37	37		1948	1948	1948	62
ROBINSON FEDERAL									
2P2281 13	N	100	39713-	549	40262 EX	8804	31458-	8721	2924
3M1528 13	NC	100	2262	555	1707	1215	2922	3529	31
BAYVIEW OIL CORPORATION									
RIDDLE FEDERAL									
1M 7271 2	N	48	2897-	67	2964 EX	741	2223-	1802	157
BENSON MONTIN GREER DRILLING CORPORATION									
BAYVIEW RIDDLE FEDERAL									
1A1827 12	N	100	5224	2981	2243	1417	3660	3667	108
DAVIS FEDERAL									
X01F1227 13	N	100	5159-	302	5461 EX	3917	1544-	5378	1061
DOUTHIT FEDERAL									
IA 527 13	M	100	392	392		766	766	766	16
FULLERTON FEDERAL									
1AP3428 13	N	100	8743-	78	8821 EX	2495	6326-	4405	519
2P2881 13	N	100	6953	3367	3586	1491	5077	3718	136
GINTHER FEDERAL									
1A1327 13	N	100	13872-	136	14008 EX	4205	9803-	5575	1171
2K1327 13	N	100	2537-	130	2667 EX	2839	172	4640	650
JONES FEDERAL									
1P1728 13	N	100	4106	3574	532	1409	1941	3662	105
SHIPP FEDERAL									
10 1271 3	N	100	10983-	259	11242 EX	4352	6890-	5676	1227
BLACKWOOD AND NICHOLS COMPANY									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
NORTHEAST BLANCO UNIT									
1H2731 7	N	100	12906-		12906 EX	2716	10190-	4556	603
5B2231 7	M	100	723	723		1490	1490	1490	25
6A3431 7	M	100	2823	2823		3011	3011	3011	75
7B2131 7	N	100	1065	2244	1179 EX	1359	180	3628	86
8A1331 7	N	100	84-		84 EX	1467	1383	3701	127
M. J. BRANNON JR.			....	.....	.....	.....			
FEDERAL									
1D2025 9	N	100	10285	6591	3694	1834	5528	3953	267
1A2825 9	N	100	6435	3463	2972	1433	4405	3678	114
THE BRITISH AMERICAN OIL PRODUCING COMPANY									
DOUTHIT C FEDERAL									
1M3427 1	N	100	32268-		32268 EX	6876	25392-	7402	2189
FULLERTON FEDERAL									
6E1127 1	N	100	12320	18783	6463 EX	4103	2360-	5505	1132
7K1127 1	N	100	8084		8084	4345	12429	5670	1224
10-1327 1	N	100	8610	12763	4153 EX	2138	2015-	4161	383
11E1427 1	N	100	13651		13651	2983	16634	4739	705
A. N. BROWN MCADAMS FEDERAL			....	.....	.....	.....			
2D3427 1	N	500	1111201 1-	744	2755 EX	1115	1640-	2112	417
3H3427 1	N	500	6667-		6667 EX	924	5743-	1981	271
4N3427 1	N	100	291-	128	419 EX	1826	1407	3947	264
ALEX N. CAMPBELL			....	.....	.....	.....			
TONKINS FEDERAL									
1D2327 1	N	100	45718	4483	41235	2207	43442	4208	409
CAULKINS OIL COMPANY			..	.....	.....	.....			
SANCHEZ FEDERAL									
1D2426 6	N	100	29279-	6930	36209 EX	5068	31141-	6166	1500
COMPASS EXPLORATION INCORPORATED						.....	.....		
CANTEC FEDERAL									
XO1C3530 14	N	100	6285	95	6190	1611	7801	3800	182
2D3530 14	N	100	47599	593	47006	13546	60552	11966	4732
BUTTE FEDERAL									
1N1930 13				17624	17624 EX		17624-		
FEDERAL A									
1A3301 3	N	100	8689	2758	5931	2044	7975	4096	347
1H3301 3	N	100	19108	985	18123	1548	19671	3757	158
2F3301 3	N	100	5055	57	4998	1876	6874	3981	283
HUMBLE NORTH KIRTLAND									
1H1330 14	N	100	2514	64	2450	2464	4914	4383	507
KUTZ FEDERAL									
1A2327 13	N	100	2347-		2347 EX	2876	529	4665	664
LINDRITH FEDERAL									
1K3226 7	N	100	5430-	6928	12358 EX	2697	9661-	4543	596
1H1026 7	N	100	2052	1269	783	1575	2358	3775	168
1H 426 7	N	100	2990	10203	7213 EX	2579	4634-	4462	551
NORTHWEST LINDRITH UNIT									
DO1A 926 7	N	100	31392-		XO31392 EX	2298	29094-	4270	444
2F 426 7			31264-	14402	45666 EX		45666-		
SOUTHWEST MOUNDS STATE									
1C 2914	N	100	10330	239	10091	5011	15102	6126	1478
TWIN MOUNDS FEDERAL									
102 5301 4	N	100	31319-	233	31552 EX	7715	23837-	7976	2509
CONSOLIDATED OIL AND GAS INCORPORATED						....			
CLAYTON									
1N 2301 2	N	100	8832	5111	3721	1850	5571	3963	273
FREEMAN FEDERAL									
1H1131 13	N	100	17287	1219	16068	1509	17577	3730	143
MITCHELL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1N 5 31 12 MONTOYA	N	100	14104	3732	10372	3584	13956	5150	934
1H 35 32 13 NIELSEN	XM	100	323	323		842	842	842	22
1-I 17 31 13 PAN AMERICAN STATE	N	100	2475	1110	1365	1944	3309	4028	309
1N 36 32 13 TRIBAL C	M	100	613	613		2053	2053	2053	52
1 6 26 33	N	110	153332-	160	15492 EX	2183	13309-	4191	400
4 6 26 33	N	110	133320-	153	13473 EX	2220	11253-	4217	414
6 5 26 33	N	110	4149	4590	441 EX	1472	1031	3705	129
8 5 26 33	N	110	2438	1322	1116	1435	2551	3680	115
10 7 26 33	N	110	6588	77	6511	1952	8463	4033	312
12 8 26 3	N	100	980-	95	1075 EX	1732	657	3883	228
CONTINENTAL OIL COMPANY NORTHEAST HAYNES JICARILLA APACHE									
1 9 24 5	N	110	16874-	116	16990 EX	2965	14025-	4726	698
2 16 24 5	N	110	10055-	172	10227 EX	3757	6470-	5268	1000
3 16 24 5	N	110	5682-	114	5796 EX	4738	1058-	5939	1374
4 2 24 5	N	100	40323-	200	X04052 3 EX	5913	34610-	6743	1822
5 2 24 5			9933-	64	9997 EX		9997-		
6 D 15 24 5	N	100	12024-	105	12129 EX	3463	8666-	5067	888
ROY L. COOK FEDERAL									
2 D 11 28 13	N	108	11724		11724	2371	14095	4536	405
DELHI TAYLOR OIL CORPORATION DROLET									
1-I 28 26 11	N	100	4163	106	4057	2621	6678	4491	567
MADDOX FEDERAL									
1H 13 30 13	N	100	779	797	18 EX	3028	3010	4769	722
NAVAJO FEDERAL									
2 D 28 26 11	N	100	1018	15366	14348 EX	2448	11900-	4373	501
STELLA DY START PUBCO STATE									
3 1K 36 30 14	N	104	1170-	3508	4 8 EX	3 4 4	684-	5538	1032
ELLIOTT PRODUCTION COMPANY HAGOOD FEDERAL									
1 A 24 30 14	N	100	3779	66	3713	2236	5949	4227	420
EL PASO NATURAL GAS COMPANY ALLISON UNIT									
1E 17 32 6	N	100	45536-		X04553 6 EX	2312	43224-	4279	449
7 B 1 33 6	N	112	41744-		4174 EX	2836	1338-	4962	533
9 G 1 33 6	N	100	18089-		18089 EX	4001	14088-	5435	1093
X 11 A 2 33 6	N	100	24544-		24544 EX	5265	19279-	6300	1575
11 G 1 43 6	N	100	67197-		X06719 7 EX	12316	54881-	11124	4263
13 M 1 22 6	N	100	31633-		3163 EX	1758	14055-	3901	238
16 N 1 5 33 6	N	100	25900-		2590 EX	2183	407-	4191	400
17 K 24 33 6	N	100	75655-		7565 EX	2516	5049-	4419	527
20 L 18 32 6	I	100	88611-		X08861 1 EX	4798	83813-	5981	1397
X 23 M 1 32 6 ANGEL	I	100	5494		5494	2915	8409	4692	679
1 M 22 27 11	N	100	63378-		X06337 8 EX	8725	54653-	8667	2894
2 L 22 27 11	N	100	7004		7004	4119	11123	5516	1138
3 G 22 27 11	N	100	18778	29257	10479 EX	4342	6137-	5668	1223
BLOOMFIELD 1A 17 29 11	N	100	9467	16049	6582 EX	6718	136	7294	2129
BRUINGTON 4K 6 30 11	N	101	16461	2964	13497	3178	16675	4899	767

BASIN DAKOTA POOL EL PASO NATURAL SYSTEM CTD YEAR: 1963 PAGE: 4

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
CANYON LARGO UNIT									
89M 17 24 6	XM	100	830	830		1624	1624	1624	39
95B 36 25 6	N	100	16039-	8476	24515 EX	5389	19126-	6385	1622
110D 1 24 6	N	107	58241-		XO 58241 EX	7254	50987-	7850	2152
111G 1 24 6	N	107	3584-	204	3788 EX	2735	1053-	4758	542
117H 3 24 6	N	100	25702-		25702 EX	3311	22391-	4963	830
CASE FEDERAL									
9K 8 31 11	N	100	3659	4447	788 EX	3280	2492	4942	818
DAUM FEDERAL									
5K 32 28 9	N	107	30016	12104	17912	6061	23973	7033	1727
6D 32 28 9	N	100	14915		14915	5672	20587	6578	1730
FILAN FEDERAL									
5M 5 27 8	N	100	1196-	19124	20320 EX	3253	17067-	4924	808
FLORANCE C FEDERAL									
8N 19 28 8	N	95	19580	1636	17944	1476	19420	3573	160
9L 30 28 8	N	96	31477-		31477 EX	4357	27120-	5571	1298
10H 30 28 8	N	100	7978	2928	5050	1884	6934	3987	286
FROST FEDERAL									
9P 25 27 10	N	94	850	4641	3791 EX	2057	1734-	3943	402
GARTNER FEDERAL									
9A 33 30 8	N	100	5967	2454	3513	1664	5177	3836	202
GORDON A FEDERAL									
2P 24 27 10	N	96	6311-	11820	18131 EX	2898	15233-	4573	719
HANCOCK									
6L 29 28 9	N	100	3540		3540	5415	8955	6402	1632
7L 30 28 9	N	95	9791		9791	6914	16705	7293	2342
HANCOCK B FEDERAL									
5M 31 28 9	N	95	8700-	4074	12774 EX	5235	7539-	6144	1668
6L 22 28 9	N	100	1252		1252	1714	2966	3870	221
HARDIE F FEDERAL									
1N 14 29 12	N	100	67661	90076	22415 EX	11700	10715-	10703	4028
HEATON FEDERAL									
1A 28 31 11	IN	100	1563		1563	2563	4126	4452	545
14G 29 31 11	BN	100	22223		22223	2128	24351	4154	379
16L 28 31 11	IN	100	19200	4317	14883	1427	16310	3675	112
17G 32 31 11	N	100	16086	4171	11915	2440	14355	4367	498
HUBBELL FEDERAL									
3O 18 29 10	N	100	10252-	241	10493 EX	4250	6243-	5606	1188
HUERFANO UNIT									
92F 7 26 9	N	100	1769		1769	2254	4023	4240	427
99C 22 26 10	N	100	286		286	1774	2060	3911	244
101F 19 27 10	N	104	9373-	2725	12098 EX	3931	8167-	5495	1009
103C 32 26 10	M	100	1981	1981		2929	2929	2929	109
104P 17 26 10	IN	100	29726-	4417	34143 EX	6147	27996-	6903	1911
105P 29 27 10	N	100	2817-	1788	4605 EX	2136	2469-	4159	382
106J 33 27 10	N	100	5825-	1566	7391 EX	2002	5389-	4068	331
107E 35 27 10	N	100	6811-	2464	9275 EX	2482	6793-	4396	514
108E 1 26 10	N	100	5660-	2689	8349 EX	2335	6014-	4295	458
109I 22 26 10	N	100	811		811	1766	2577	3906	241
110I 32 26 10	N	100	10149	4059	6090	2414	8504	4349	488
111F 20 26 9	IN	100	20061	7030	13031	3033	16064	4773	724
113C 33 27 10	N	100	665	1125	460 EX	3621	3161	5175	948
115C 12 26 10	N	100	11522	2699	8823	1593	10416	3788	175
116C 11 26 10	IN	100	1319-		1319 EX	1918	599	4010	299
117P 16 26 10	BN	100	38249-		38249 EX	5562	32687-	6503	1688
120C 25 26 10	IN	100	18971-		18971 EX	6018	12953-	6815	1862
121F 27 26 10	IN	100	8876-		8876 EX	13874	4998	12190	4857
125E 30 26 9	BN	100	10561		10561	4114	14675	5512	1136
126P 5 26 9	N	100	13874-		13874 EX	4838	9036-	6008	1412
130D 29 26 9	IN	100	17124-	10191	27315 EX	3293	24022-	4951	823
133J 16 26 9	N	100	9163-		9163 EX	3057	6106-	4789	733
134J 36 26 10	IN	100	2763-		2763 EX	4371	1608	5688	1234
135D 23 26 9	N	100	1512		1512	3851	5363	5333	1036
136J 21 26 9	I		33242-	4505	37747 EX		37747-		
137J 31 26 9	IN	100	1620-		1620 EX	4400	2780	5708	1245
HUERFANITO UNIT									
60M 4 26 9	N	100	5954-	6518	12472 EX	3009	9463-	4757	715

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
61G 426 9	N	100	1575	5174	3599 EX	2346	1253 –	4303	462
HERFANITO	UNIT		CRANDELL						
1A 326 9	N	100	12436	7445	4991	1750	6741	3895	235
JICARILLA	CONTRACT		67						
5N2925 5	N	100	4242 –	149	4391 EX	2946	1445 –	4714	691
10M3025 5	N	100	4003 –		4003 EX	2621	1382 –	4491	567
FACKEY B	FEDERAL								
1 2N2128 9	N	100	16470	10784	5686	4190	9876	5564	1165
13K2202 8 9	N	100	500700 –		X05007 00 EX	4106	459 64 –	5507	1133
14A3022 8 9	N	95	77775		77775	4115	11890	5378	1219
15B2202 8 9	N	100	85177 –		85177 EX	1874	6643 –	3980	282
16B2202 8 9	N	100	70112		70112	3167	10179	4864	775
17G2012 8 9	N	100	96800	2948	67332	2262	8994	4245	430
LA PLATA	FEDERAL								
1M2930 13	MV	100	1965	1965		2142	2142	2142	65
LODEWICK	FEDERAL								
8D1922 7 9	N	100	19226		19226	2361	21587	4313	468
9C1927 9	N	100	18698	16829	1869	2981	4850	4737	704
10D3027 9	N	100	10373 –	8044	18417 EX	2595	15822 –	4473	557
LUDWICK FED	DEFAULT								
15A1930 10	N	100	7425 –		7425 EX	2330	5095 –	4292	456
16G3130 10	N	100	19527		19527	1795	21322	3926	252
17B2930 10	N	100	7551 –		7551 EX	2207	14556	4208	409
18B 629 10	N	100	2553		2553	2163	47167	4124	409
19B 529 10	N	100	7118		7118	2459	95777	4380	505
20K2930 10	N	100	170300	3562	13468	3043	16511	4780	728
21N3130 10	N	96	9483 –	11696	21179 EX	2190	18989 –	4088	438
MCADAMS									
5D2027 9	N	100	21750	4160	17590	3308	20898	4961	829
MCCULLEY	FEDERAL								
4K1428 9	N	100	)9448	4436	5012	1918	6930	4010	299
5N1428 9	N	100	718	5351	4633 EX	1868	2765 –	3976	280
MESA	FEDERAL								
3M1128 9	N	100	10160		10160	2136	12296	4159	382
MHICO	FEDERAL								
6N3128 9	N	100	12209		12209	6545	18754	7176	2063
1D2730 16	T	100	10755	145	10610	3581	14191	5148	933
2A3028 11	N	100	405	2288	1883 EX	2886	1003	4672	668
MUDGE	FEDERAL								
1H2103 11	N	100	6079	4566	1513	2461	3974	4382	506
13G2112 11	N	96	9973	2517	7456	1477	8933	3600	154
14B2203 11	N	100	67555	4250	25055	2062	45677	4100	354
15G2113 11	N	94	23956		23956	1785	41817	3757	291
16A1907 11	N	100	4906	3004	1902	1902	3804	3999	293
9N2203 11	MV	100	70094	70094		115455	11545	115455	6099
10N2203 11	N	100	28400	28400		42699	42699	42699	1999
11N2203 11	N	100	118166	27322	9084	15777	10066611	36996	188
12N2203 11	N	100	196888	41774	15514	17377	17225 51	38055	250
13N2203 11	N	100	1028	1028		16011	16011	16011	84
14N2203 11	N	95	13207	31533	10054	18961	11950	38600	328
RIDDELL	FEDERAL								
2N3130 7	N	100	707	16008	15301 EX	4494	10807 –	5773	1281
RIDDLE									
1 5N3130 7	N	100	11045	186	10859	2996	13855	4748	710
5 5N3130 7	N	100	9853 –	6503	16356 EX	1973	14383 –	4048	329
1 5N3130 7	N	100	77622 –	6824	14558 EX	2695	11891 –	4541	595
1 5N3130 7	N	100	14155 2 –		14155 2 EX	3306	10846 –	4960	828
5 5N3130 7	N	100	1303 –		1303 EX	3607	3477	5166	943
6 5N3130 7	N	100	26955 9 –		26955 9 EX	2744	24215 –	4572	614
7 5N3130 7	N	100	14355 5 –		14355 5 EX	4279	10076 –	5568	1119
8 5N3130 7	N	100	22670 0 –		22670 0 EX	4066	18604 –	5480	1119
9 5N3130 7	N	100	57557 5 –		57557 5 EX	10365	4808 –	9778	1118
10 5N3130 7	N	100	7	6556 4	6556 4 EX	3741	28223 –	5179	1035
11 5N3130 7	N	100	7119 –		7119 EX	4533	25852 –	5799	1229
12 5N3130 7	N	100	23196 –	14389	23196 EX	2771	20425 –	4593	624

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9
10	10	10	10	10	10	10	10	10	10
11	11	11	11	11	11	11	11	11	11
12	12	12	12	12	12	12	12	12	12
13	13	13	13	13	13	13	13	13	13
14	14	14	14	14	14	14	14	14	14
15	15	15	15	15	15	15	15	15	15
16	16	16	16	16	16	16	16	16	16
17	17	17	17	17	17	17	17	17	17
18	18	18	18	18	18	18	18	18	18
19	19	19	19	19	19	19	19	19	19
20	20	20	20	20	20	20	20	20	20
21	21	21	21	21	21	21	21	21	21
22	22	22	22	22	22	22	22	22	22
23	23	23	23	23	23	23	23	23	23
24	24	24	24	24	24	24	24	24	24
25	25	25	25	25	25	25	25	25	25
26	26	26	26	26	26	26	26	26	26
27	27	27	27	27	27	27	27	27	27
28	28	28	28	28	28	28	28	28	28
29	29	29	29	29	29	29	29	29	29
30	30	30	30	30	30	30	30	30	30
31	31	31	31	31	31	31	31	31	31
32	32	32	32	32	32	32	32	32	32
33	33	33	33	33	33	33	33	33	33
34	34	34	34	34	34	34	34	34	34
35	35	35	35	35	35	35	35	35	35
36	36	36	36	36	36	36	36	36	36
37	37	37	37	37	37	37	37	37	37
38	38	38	38	38	38	38	38	38	38
39	39	39	39	39	39	39	39	39	39
40	40	40	40	40	40	40	40	40	40
41	41	41	41	41	41	41	41	41	41
42	42	42	42	42	42	42	42	42	42
43	43	43	43	43	43	43	43	43	43
44	44	44	44	44	44	44	44	44	44
45	45	45	45	45	45	45	45	45	45
46	46	46	46	46	46	46	46	46	46
47	47	47	47	47	47	47	47	47	47
48	48	48	48	48	48	48	48	48	48
49	49	49	49	49	49	49	49	49	49

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
90G1627 5	N	100	5414-		5414FX	4859	555-	6022	1420
28 5 SAN JUAN UNIT									
33L1728 5	IN	100	14045	26207	12162FX	3933	8229-	5388	1067
34M1828 5	IN	100	221	24361	24140FX	3891	20249-	5360	1051
35M1928 5	BN	100	6469-		6469FX	1965	4504-	4042	317
41A3228 5	IN	100	62570-		X062570FX	3993	58577-	5430	1090
42K3128 5	IN	100	76870-		X076870FX	7382	69488-	7748	2382
44M2728 5	N	100	20296-		20296FX	6905	13391-	7422	2200
54M2028 5	N	100	27192-		27192FX	3728	23464-	5248	989
56N3228 5	N	100	26326-		26326FX	3718	22608-	5241	985
57A1928 5	N	100	30095-		30095FX	4974	25121-	6101	1464
58M3028 5	N	100	20411-		20411FX	4394	16017-	5704	1243
59G3028 5	N	100	5503-		5503FX	7647	2144	7930	2483
60A2928 5	N	100	32293-		32293FX	6509	25784-	7151	2049
61H1828 5	N	100	20753-		20753FX	2860	17893-	4654	658
62G3128 5			16647-		16647FX		16647-		
63B2028 5	N	100	39823-		39823FX	9208	30615-	8998	3078
64H2828 5	NC	100	30957-		30957FX	4948	26009-	6083	1454
65K2828 5	N	100	91364-		X091364FX	14464	76900-	12594	5082
66N2928 5			66438-		66438FX		66438-		
28 6 SAN JUAN UNIT									
94B3628 6	N	100	794-		794FX	1963	1169	4041	316
100N1328 6	N	100	37429-		X037429FX	4935	32494-	6074	1449
103K 727 6	N	99	12377	10008	2369	4016	6385	5418	1114
109B 127 6	N	100	45270-		X045270FX	3610	41660-	5168	944
110L2527 6	N	100	4223		4223	3597	7820	5159	939
111M1527 6	N	100	764-		764FX	4284	3520	5629	1201
112N 927 6	N	100	18064-		18064FX	2965	15099-	4726	698
28 7 SAN JUAN UNIT									
98G2927 7	N	100	11931	3309	8622	1548	10170	3757	158
109N1827 7	M	100	1619	1619		1963	1963	1963	106
125M1227 7	N	100	7704-		7704FX	4232	3472-	5593	1181
126M 1227 7	N	100	21460-		21460FX	5003	16457-	6121	1475
128A1227 7	N	100	3139		3139	3416	6555	5035	870
130L 2227 7	N	100	16559-		16559FX	3623	12936-	5177	949
132K1527 7	NC	100	22169-	3655	25824FX	3038	22786-	4776	726
133N3528 7	NC	104	24432-		24432FX	4038	20394-	5569	1048
29 5 SAN JUAN UNIT									
32N2929 5	N	100	3006		3006	1984	4990	4055	324
29 6 SAN JUAN UNIT									
33A1329 6	N	86	941-		941FX	2019	1078	3701	463
35M1529 6	N	100	9041		9041	3214	12255	4897	793
30 5 SAN JUAN UNIT									
27M2030 5	M	100	833	833		1303	1303	1303	34
30 6 SAN JUAN UNIT									
31N3330 6	M	100	1746	1746		1587	1587	1587	70
32 7 SAN JUAN UNIT									
35A2232 7	N	100	6531-		6531FX	3878	2653-	5351	1046
36K 832 7	NC	93	10910-	8944	19854FX	2516	17338-	4230	599
EL PASO NATURAL GAS PRODUCTS COMPANY									
DELHI TAYLOR FEDERAL									
5A172611	N	100	15468	9760	5708	9580	15288	9252	3220
6K172611	N	100	12430	8230	4200	18436	22636	15311	6596
DELHI TAYLOR C FEDERAL									
1M 42611	N	100	10714	8081	2633	3369	6002	5003	852
DELHI TAYLOR POOLED UNIT D FEDERAL									
DO1M 32611	N	100	48264	38129	10135	8166	18301	8285	2681
DELHI TAYLOR POOLED UNIT E FEDERAL									
1G 42611	N	100	2702	48660	45958FX	7626	38332-	7915	2475
FRONTIER B FEDERAL									
1P 92711	N	100	1606	4064	2458FX	1973	485-	4048	320
2D 92711	N	100	4669-	51	4720FX	3185	1535-	4877	782
3E 42711	N	100	16729-	99	16828FX	4195	12633-	5568	1167
FRONTIER C FEDERAL									
1D162711	N	100	7717	8352	635FX	3363	2728	4999	850
2I 52711	N	100	2017-	76	2093FX	2500	407	4409	521

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
FRONTIER POOL	OIL		UNIT D FEDERAL						
1E 5 27 11	NN	100	14804-	49	14853 EX	4111	10742-	5510	1135
FRONTIER POOL	OIL		UNIT E FEDERAL						
10 4 27 11	NN	100	4967	2634	2333	1900	4233	3998	292
NCRA FEDERAL									
1A 3 26 7	NN	100	5990-	2287	8277 EX	1742	6535-	3890	232
WESTERN POOL	OIL		UNIT B FEDERAL						
1H 8 26 11	NN	100	29381	45995	16614 EX	13578	3036-	11988	4744
2N 8 26 11	NN	100	95550-	47924	X143474 EX	8977	134497-	8840	2990
WESTERN POOL	OIL		UNIT C FEDERAL						
1A 20 26 11	NN	100	32551	8801	23750	9195	32945	8989	3073
BERT FIELD	GAS								
FEDERAL UNIT									
1H 24 27 7	NN	100	1162-	7191	8353 EX	2679	5674-	4531	589
FRONTIER REFINING COMPANY									
AZTEC UNIT	GAS								
1D 8 27 11	NN	100	930		930	2960	3890	4723	696
AZTEC UNIT	GAS								
1L 28 27 11	NN	100	8781-		8781 EX	6593	2188-	7208	2081
BOLACK FEDERAL									
1H 16 27 11	NN	100	16487	4266	12221	3345	15566	4986	843
2N 15 27 11	NN	100	10840	9899	941	2852	3793	4649	655
3B 21 27 11	NN	100	45481	6635	38846	11561	50407	10607	3975
4A 28 27 11	NN	100	12916		12916	3382	16298	5012	857
EVENSEN GOVERNMENT	OIL								
2D 19 27 10	NN	100	3409-	11387	14796 EX	2178	12618-	4188	398
SCHWERDTFEGER FEDERAL									
1D 17 27 11	NN	100	17538	2950	14588	3959	18547	5406	1077
2I 8 27 11	NN	100	2883		2883	1868	4751	3976	280
3L 21 27 11	NN	100	66507	7321	59186	11566	70752	10611	3977
GULF OIL CORPORATION									
APACHE									
8D 8 24 5	NN	100	1220	372	848	2204	3052	4206	408
9I 17 24 5	NN	100	7833-	1230	9063 EX	2705	6358-	4549	599
10I 18 24 5	NN	100	4444-	391	8357 EX	1942	11077-	4026	308
11I 17 24 5	NN	100	13416-	231	13647 EX	3510	10137-	5100	906
12I 17 24 5	NN	100	20513-	144	20657 EX	6152	14505-	6907	1913
13I 17 24 5	NN	100	19415-	1447	20862 EX	4009	16853-	5440	1096
14I 18 24 5	NN	100	53100-	218	55328 EX	2516	30812-	4419	527
15D 17 24 5	NN	100	6016	3306	2710	1480	4190	3710	132
BLACK ROCK	OIL		C FEDERAL						
1C 21 26 11	NN	100	28095	8260	19835	6464	26299	7120	2032
BLACK ROCK	OIL		D FEDERAL						
1C 20 26 11	NN	100	22837	19597	3240	11687	14927	10694	4023
FARMINGTON	GAS		STATE						
1L 36 31 13	NN	100	1556-	2093	3649 EX	2527	1122-	4426	531
W. H. HUDSON	OIL								
FAIRFIELD	GAS		FEDERAL						
1A 14 27 13	NN	100	17773-		17773 EX	14861	2912-	12865	5233
2A 15 27 13	NN	100	6626-	100	6726 EX	3673	3053-	5211	968
KAY KIMBELL	OIL								
COOK BLOOM	GAS		UNIT						
1N 22 29 11	NN	100	24122	11588	12534	6105	18639	6874	1895
CORRAL UNIT	GAS								
1 28 25 6	NN	100	6548	2822	3726	1420	5146	3669	109
2M 27 25 6	NN	100	2306	90	2216	1937	4153	4023	306
DEVON FEDERAL									
1K 4 29 12	NN	100	4175	2507	1668	2797	4465	4611	634
FEDERAL									
3M 35 25 6	NC	100	56757-	357	X057114 EX	9315	47799-	9071	3119
HANSON FEDERAL									
1A 5 25 10	NN	100	10679	3260	7419	1997	9416	4064	329

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
HARTMAN BLO OMF IELD UNIT									
1P 2291 1	N	100	19214	329	18885	9008	27893	8861	3002
JICARILLA CONTRACT 67									
1M 2025 5	N	100	953-	126	1079 EX	2298	1219	4270	444
LIBERMAN FEDERAL									
1P 525 7	N	100	15951	2196	13755	1530	15285	3745	151
SALAZAR FED FEDERAL									
1H 2725 6	M	100	2192	2192		2162	2162	2162	17
1H 3425 6	N	100	14335-		14335 EX	2477	11858-	4392	512
WARREN FEDERAL									
2O 3525 6	N	100	7135-		7135 EX	5242	1893-	6284	1566
3P 2625 6	N	100	4005	4941	936 EX	2254	1318	4240	427
WARREN SALAZAR UNIT									
2M 2625 6	N	100	458-		458 EX	2246	1788	4234	424
KINGWOOD OIL COMPANY ..									
ARGO FEDERAL									
1C 1827 10	N	100	4285	70	4215	2941	7156	4710	689
LA GLORIA OIL AND GAS CO									
JULANDER GAS UNIT									
1J 1029 11				42077	42077 EX		42077-		
LA PLATA GATHERING SYSTEM INC									
32 5 SAN JUAN UNIT SECTION 22									
1P 2232 6	N	100	8583-	21825	30408 EX	5171	25237-	6236	1539
32 5 SAN JUAN UNIT SECTION 23									
1N 2333 6	N	100	19118	5576	13542	5155	18697	6225	1533
2H 2333 6	N	100	12657	3735	8922	1451	10373	3691	121
32 5 SAN JUAN UNIT SECTION 24									
1M 2432 6	N	100	18899-		18899 EX	12138	6761-	11002	4195
32 5 SAN JUAN UNIT SECTION 25									
2B 2532 6	N	100	33033		33033	2283	35316	4260	438
32 5 SAN JUAN UNIT SECTION 26									
2H 2632 6	N	100	14091-	7339	21430 EX	5029	16401-	6139	1485
3C 2632 6	N	100	29342	7860	21482	8657	30139	8621	2868
32 5 SAN JUAN UNIT SECTION 27									
1A 2732 6	N	100	2827	2748	79	1517	1596	3736	146
2P 2732 6			1805-	6019	7824 EX		7824-		
32 5 SAN JUAN UNIT SECTION 31									
1A 3132 5	M	108	1338	1338		1652	1652	1652	85
LAKE LAND PETROLEUM CORPORATION .									
SARAH M. HEDGES									
2A 2331 12	N	100	19240	26760	7520 EX	4743	2777-	5943	1376
MARATHON OIL COMPANY									
OHIO GOVERNMENT NO 15									
2P 1528 11	N	100	20348	131	20217	17017	37234	14340	6055
OHIO GOVERNMENT NO 23									
2I 2328 11	N	100	31783	25241	6542	20296	26838	16584	7305
OHIO GOVERNMENT NO 26									
2E 2628 11	N	100	8405	463	7942	22927	30869	18384	8308
3P 2628 11	N	100	14134	124	14010	9313	23323	9069	3118
J. L. MILLS									
MILLS									
1I 3131 13	NC	100	24928-		24928 EX	2800	22128-	4613	635
MONSANTO CHEMICAL COMPANY									
NWP UNIT									
1K 2330 12	N	100	5384-	105	5489 EX	1845	3644-	3960	271
STATE J									
1D 1626 11	N	100	14199	3756	10443	2936	13379	4706	687
VIERSON FED FEDERAL									
1A 1930 13	N	100	613	86	527	1792	2319	3924	251

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
NORTHWEST PRODUCTION CORPORATION			.....		.....	.....			
UICARILLA N									
4H 6 2 6 4	N	100	15466	9279	6187	2988	9175	4742	707
8M 8 2 6 4	M	100	2829	2829		2719	2719	2719	103
UICARILLA W									
1M 7 2 6 5	N	100	4217	4012	205	1477	1682	3709	131
2B 5 2 6 5	N	100	5-	1709	1714 EX	1380	334-	3642	94
29 12 BLANCO UNIT									
1B 7 29 12	N	100	9233	14011	4778 EX	2175	2603-	4186	397
OCCIDENTAL PETROLEUM CORPORATION			.....		.....	.....			
WEST UICARILLA CONTRACT 152									
4K 6 2 6 5	N	100	16914-	460	17374 EX	3264	14110-	4931	812
1M 8 2 6 5	N	100	110	1511	1401 EX	1365	36-	3631	88
1A 6 2 6 5	N	100	4751	2110	2641	2403	5044	4342	484
PAN AMERICAN PETROLEUM CORPORATION			....		....	.....			
ABRAMS GAS UNIT E									
1I 30 29 10 S	N		55919-	6261	62180 EX		62180-		
COOPER GAS UNIT									
1B 15 29 11 G				33270	33270 EX		33270-		
CLODAVIE SS									
1D 27 28 13	N	100	7634-	162	7796 EX	2322	5474-	4287	453
HARE GAS UNIT C									
1M 25 29 10 U			30295-	1506	31801 EX		31801-		
CHARLEY HSU									
1B 12 27 13	N	100	42031-	361	X042392 EX	4712	37680-	5921	1364
UICARILLA CONTRACT 146									
9M 1 0 22 5 5	N	100	5494	2730	2764	1483	4247	3712	133
10N 9 22 5 5	N	100	54201-	367	54568 EX	9509	45059-	9204	3193
11K 4 22 5 5	N	100	6650	2327	1677 EX	1525	152-	3741	149
13L 9 22 5 5	N	100	54	105	51 EX	3211	3160	4895	792
UICARILLA CONTRACT 148									
9N 15 22 5 5	N	100	190044-	369	19373 EX	6810	12563-	7357	2164
13C 15 22 5 5	N	100	4071	4379	308 EX	1554	1246	3761	160
UICARILLA CONTRACT 155									
2K 33 22 6 5	N	100	7442	133	7309	2154	9463	4172	389
3E 33 22 6 5	N	100	10458-	2938	13396 EX	2487	10909-	4400	516
6C 33 22 6 5	N	100	6255	358	5897	3547	9444	5125	920
UICARILLA GAS UNIT B									
1G 31 26 5	N	100	6194	4015	2179	2319	4498	4285	452
VWM CM ANCUS									
1M 22 28 12	N	100	9677-	73	9750 EX	2296	7454-	4269	443
STEDJE GAS UNIT									
1F 27 30 12	N	100	6323-	2260	8583 EX	2243	6340-	4233	423
C. M. PAUL			....	.....	.....	.....			
CCC ICA									
1G 14 31 13	N	100	4969-	1231	6200 EX	1955	4245-	4035	313
ELLIOTT FED									
1G 20 31 13	N	92	20642	1648	18994	1751	20745	3680	293
FEDERAL									
1G 19 27 11	N	100	13794-		13794 EX	4282	9512-	5627	1200
HALFEDERAL									
1N 20 31 13	N	92	253	63	190	1959	2149	3822	379
HARRIS									
1N 28 31 13	N	100	28104	2187	25917	2524	28441	4425	530
LOHMAN GSU									
1M 21 31 13	M	100	596	596		2035	2035	2035	223
KNIGHT									
1A 5 30 13	N	100	3439		3439	2847	6286	4645	653
LARSON									
1K 22 31 13	N	100	9767	7209	2558	2595	5153	4473	557
MCCARTY									
1N 14 31 13	N	100	10386	4010	6376	2325	8701	4288	454
NICKELS									
1K 11 31 13	N	98	20652	1636	19016	1531	20547	3691	163

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
PARKER									
1K33313	N	100	1153	95	1058	2120	3178	4148	376
STANDARD NICKELS									
1G21313	N	100	7619	112	7507	2579	10086	4462	551
PIONEER PRODUCTION COMPANY									
AIRPORT									
1A 82913	N	100	23678	1555	22123	1596	23719	3789	176
2P 82913	N	100	19300	1038	18262	1289	19551	3579	59
COOPER FEDERAL									
1N 72911	N	96	7698	21824	14126 EX	3392	10734-	4910	915
DUSTIN									
1K 62912	N	100	25510-	3861	29371 EX	5444	23927-	6422	1643
ELLSWORTH									
1N 29301	N	100	18572-	322	18894 EX	3733	15161-	5252	991
FARMINGTON UNIT									
1P 11291	N	100	21059-	3223	24282 EX	4271	20011-	5620	1196
FARMINGTON UNIT									
1K 14291	N	100	626-	2457	3083 EX	2936	147-	4706	687
FARMINGTON UNIT									
1H 15291	N	100	11434-	3785	15219 EX	5194	10025-	6252	1548
FEDERAL									
1G 29301	N	100	22573	14413	8160	2655	10815	4514	580
HARTMAN									
1G 31291	N	100	27432-	186	27618 EX	10220	17398-	9690	3464
JOHNSTON									
1I 28301	N	100	5703	2961	2742	2975	5717	4733	702
LUCERNE FEDERAL									
1M 82811	N	104	14211		14211	12225	26436	11170	4049
LUCERNE A FEDERAL									
1D 17281	N	100	1758-		1758 EX	8812	7054	8727	2927
LUCERNE B FEDERAL									
1I 17281	N	100	30822-		30822 EX	10370	20452-	9793	3521
LUCERNE C									
1H 21281	N	100	2451-	179	2630 EX	9680	7050	9321	3258
LUCERNE D									
1B 22281	N	100	6238-	213	6451 EX	9192	2741	8987	3072
MADDOX									
1J 33301	N	100	15826	3873	11953	4623	16576	5860	1330
MADDOX GAS UNIT FEDERAL									
2L 33301	N	100	3931	18240	14309 EX	3156	11153-	4857	771
MAXEY FEDERAL									
1B 24291	N	100	73069-		X073069 EX	9457	63612-	9168	3173
NYE FEDERAL									
1A 32291	N	100	4765	330	4435	8843	13278	8748	2939
OHIO FEDERAL									
1C 22281	N	100	26055-		26055 EX	8793	17262-	8714	2920
PHILLIPS FEDERAL									
1C 16281	N	100	10094-		10094 EX	6404	3690-	7079	2009
2P 22281	N	100	27851-		27851 EX	15626	12225-	13389	5525
PRUITT									
1E 42913	N	100	13272	1196	12076	1501	13577	3725	140
REDFERN FEDERAL									
4I 16281	N	100	19653-		19653 EX	13685	5968-	12061	4785
5N 12281	N	103	6118-		6118 EX	6055	63-	6921	1809
REID FEDERAL									
1M 13291	N	100	5966	5418	548	8452	9000	8481	2790
SALMON									
1P 30291			22565-	87	22652 EX		22652-		
SCOTT									
1K 22913	N	100	4063	131	3932	4452	8384	5744	1265
SHEPHERD ANDO KELSEY									
1L 29291	N	100	3141-	330	3471 EX	8578	5107	8567	2838
SMITH FEDERAL									
1J 12291	N	100	2589	1900	689	2207	2896	4208	409
STANDARD FEDERAL									
1J 42912	N	100	5315	5193	122	2731	2853	4566	609

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
WALKER									
1E 32912	N	100	11054	3969	7085	2304	9389	4274	446
PUBCO PETROLEUM CORPORATION			.....	.....	.....	.....			
FEDERAL									
9N 92912	N	100	15223	23760	8537 FX	3177	5360-	4872	779
FEDERAL B									
5B 52912	N	100	2746-	22151	24897 FX	4279	20618-	5625	1199
6B 62911	N	90	23533	28794	5261 FX	3268	1993-	4664	952
MCLEOD FEDERAL									
2L34 28100	N	100	47125-	68449	X115574 FX	11437	104137-	10523	3928
PUBCO FEDERAL									
10 12911	N	95	9563-	207	9770 FX	3540	6230-	4985	988
STATE									
26N36 29111	N	98	41291-	237	41528 FX	7152	34376-	7537	2350
28B36 29100	N	1000	27873-	10269	X038142 FX	4940	33202-	6078	1451
29N36 29100	N	1000	26007-	17067	43074 FX	6642	36432-	7242	2100
30I36 30120	N	1000	5979	13252	7273 FX	2595	4678-	4473	557
TRIEB FEDERAL									
20 33010	N	100	15447	13058	2389	2424	4813	4357	492
R AND G DRILLING COMPANY INC			.....	.....	.....	.....			
GRAHAM FEDERAL									
48L10278	XM	100	758	758		1336	1336	1336	72
HAMMOND FEDERAL									
47K35278	XM	100	682	682		1135	1135	1135	
MARRON FEDERAL									
42M22278	XM	100	58	58		807	807	807	54
VAL R. REESE AND ASSOCIATES INCORPORATED						....			
MESA FEDERAL									
1D25247	XM	100				396	396	396	27
M. B. RUDMAN									
FEDERAL 21			.....	.....	.....	.....			
1O2125 9	N	100	4504	9175	4671 FX	2584	2087-	4466	553
SHAR ALAN OIL CO			.....	.....	.....	.....			
ROSA UNIT									
40E1131 5			21724-		21724 FX		21724-		
SKELLY OIL COMPANY			.....	.....	.....	.....			
LOHN CHARLES									
7N13 27911	M	100	1108	1108		1719	1719	1719	70
D. L. DAVIS FEDERAL									
1A26 26111	M	1000	1421	1421		2521	2521	2521	88
2N26 26111	N	1000	1921-	1387	3308 FX	1580	1728-	3779	170
FARMER STATE									
1A 22246	N	107	20682-	342	21024 FX	5310	15714-	6520	1460
3K 22246	N	107	945	88	857	2546	3403	4628	475
UICARILLA TRIBAL B CONTRACT 68									
2 33111 55	N	1000	14918-	1576	16494 FX	4722	11772-	5929	1368
2 33111 55	M	1000	1095	1095		1315	1315	1315	42
2E 62241 5	N	115	982	127	855	2749	3604	4983	479
UICARILLA TRIBAL C CONTRACT 34									
1 22255 5	N	1000	26505-	215	26720 FX	6540	20180-	7172	2061
6 22255 5	N	1000	10083-	117	10200 FX	2419	7781-	4353	490
14A22555	N	1000	11668-	856	12524 FX	10535	1989-	9906	3584
MEXICO FEDERAL									
1 11 24 6	XM	1000	1335	1335		1060	1060	1060	69
MEXICO FEDERAL									
1G15301 3	N	1000	482	7251	6769 FX	1913	4856-	4007	297
MEXICO FEDERAL									
1N10301 3	M	1000	1948	1948		2341	2341	2341	98
MEXICO FEDERAL									
1K12311 3	N	1000	9802	4918	4884	2477	7361	4392	512
MEXICO									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1F1529111	N	100	1078	478	600	4665	5265	5889	1346
O. H. RANDLE									
1F1426111	M	100	2633	2633		3215	3215	3215	98
SOCONY MOBIL OIL COMPANY INC.									
HUERFANITO FEDERAL									
23K28279	N	100	1956		1956	3846	5802	5329	1034
LICARILLA	O	100							
23K21245	N	100	1185-	328	1513 FX	5648	4135	6562	1721
SOUTHERN UNION PRODUCTION COMPANY									
NAVAJO FEDERAL									
1F12713	N	100	8205	359	7846	6892	14738	7413	2195
RICHARDSON FEDD									
1A22713	N	100	29280-	81	29361 FX	6312	23049-	7016	1974
SOUTHWEST PRODUCTION COMPANY									
RHODA ABRAMS									
1P53011	N	100	3319	8540	5221 FX	2118	3103-	4147	375
2H53011	N	100	16189	10194	5995	2152	8147	4170	388
ESTHER BAND									
1N33011	N	100	307-	3284	3591 FX	2411	1180-	4348	487
BOND FEDERAL									
1N13268	N	100	2071-	5535	7606 FX	2550	5056-	4443	540
2D13268	N	100	11375	2093	9282	1837	11119	3954	268
FAYE BURDETTE									
1G93011	N	100	4125	72	4053	1895	5948	3994	290
CALLOWAY FEDERAL									
1-33291	N	100	4217	5222	1005 FX	1391	386	3649	98
NELLA CALLOWAY									
1A33011	B	222	6557	1413	5144	2548	7692	4441	539
CAMILLE GAYLE									
1B22255	E	000	7203-	161	7364 FX	2304	5060-	4274	446
2A22266	G	000	4088	307	101	3482	3583	5080	895
3K22277	K	000	1112	223	889	1837	2726	3954	268
5A22277	C	000	3620	129	3491	2354	5845	4308	465
6C22277	I	000	5702	3905	1797	1771	3568	3910	243
COLLIER FEDERAL									
1-8227	D	000	526	526					
SAMUEL CLAY									
1C93011	N	100	7312-	2978	10290 FX	2826	7464-	4631	645
RUBY CROSS									
1B25301	N	100	15884	4302	11582	1884	13466	3987	286
MYRA CANNON									
1C33111	N	100	8331	946	7385	1737	9122	3886	230
DAVIS FEDERAL									
1-4226	D	000	55708-	275	X055983 FX	5402	50581-	6393	1627
DOUGLAS CLARK									
1C13771	N	000	13037	121	12916	4741	17657	5941	1375
2H13771	N	000	6347	243	6104	5509	11613	6467	1668
3K13771	N	000	9257	10784	1527 FX	2768	1241	4592	623
4F13771	N	000	10457-	44	10501 FX	2249	8252-	4236	425
EDGAR GAYLE									
1-22771	G	000	6491	2265	4226	1349	5575	3621	82
2G22771	G	000	9047	2762	6285	1375	7660	3639	92
3M22771	G	000	8075	3070	5005	1244	6249	3549	42
5D22771	G	000	2188	2833	645 FX	2251	1606	4238	426
6L22771	G	000	1525	4178	2653 FX	1656	997-	3831	199
7M22771	G	000	9426	5591	3835	3948	7783	5399	1073
11D22771	G	000	8837	2587	6250	1383	7633	3644	95
NELLA CALLOWAY									
1-7301	N	102	1842-	155	1997 FX	6020	4023	6870	1818
HAMILTON									
1M3301	N	100	2731-	3579	6310 FX	2222	4088-	4218	415
HANCOCK FEDERAL									
1C22771	D	100	33587	27120	6467	11889	18356	10832	4100
2K22771	N	100	4922	14735	9813 FX	4848	4965-	6015	1416

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
3A2427111	N	100	792-	14956	15748 EX	3377	12371-	5008	855
4A1327111	N	100	24722-	22544	X 04726 6 EX	5336	41930-	6349	16022
5KE2327111	N	100	2777	257	2520	6002	8522	6804	18566
6FE2527111	N	100	27788	174	27614	3626	31240	5178	950
HANSON FEDERAL									
1M1126111	E		4237-	6028	10265 EX		10265-		
HARKESS NAVAJO									
1A2361111	N	100	943-	31	974 EX	2739	1765	4572	612
HELEN MARTIN									
1B8301111	N	100	1836	6648	4812 EX	2603	2209-	4479	560
HENDERSON FEDERAL									
1A5261111	N	100	29573	7493	22080	9294	31374	9057	3111
HOLLOWAY FEDERAL									
1166211111	N	1000	18803-	44	18847 EX	5430	13417-	6413	1638
2G1822711111	N	1000		139	79 EX	3568	3489	5139	928
3K6227111111	N	1000	827-	38	865 EX	2288	1423	4263	440
4G7227111111	N	1000	575-	97	672 EX	2047	1375	4098	348
5M7227111111	N	1000	5745-	340	6085 EX	3361	2724-	4997	849
6K1822711111	N	1000	13348-	205	13553 EX	2852	10701-	4649	655
HOLLOWAY FEDERAL B									
1A3122711111	N	1000	6830	79	6751	3379	10130	5010	856
2I3122711111	N	1000	79560	10786	68774	160755	84849	136996	56996
3A6226111111	N	1000	33831	8269	25562	109311	36493	101777	37335
4A6226111100	N	1000	36527	8356	28171	7337	35508	7718	2365
CHARLES HUNT									
1A2330111002	N	100	11982	4726	7256	1674	8930	3843	206
JOSE JAQUEZ									
1K2430112	N	100	10114	6288	3826	1900	5726	3998	292
RUBY JONES									
1G7301111	N	94	12593	2565	10028	1758	11786	3739	281
LUTHY FEDERAL									
1G1126 8	N	100	18740	4639	14101	1210	15311	3526	29
ONA MAGEE									
1P4301111	N	100	6540-	4654	11194 EX	2511	8683-	4416	525
MANN FEDERAL									
1J5261111	N	100	42251	9045	33206	13224	46430	11745	4609
MUDGE									
1A3022711111	N	1000	43906-		X 043906 EX	4499	39407-	5776	1283
2G2227111111	N	1000	20684	334	20350	303811	50731	234841	111500
3K2227111111	N	1000	46109	13757	32352	103338	42690	9771	35099
4D3327111111	N	1000	37249	213	37036	122011	49237	110451	42199
5O3327111111	N	1000	23998	9098	14900	105933	25493	99455	36066
6B3227111111	N	1000	41990	10813	31177	93555	40532	9098	31344
NEWBERRY FEDERAL									
1M1731122	E	100	340-		340 EX	6577	6237	7198	2075
ONEIDA									
1K3022711100	N	100	16594-		16594 EX	4449	12145-	5742	1264
PAUL DAVIS									
1L2630111002	N	100	8947	3679	5268	2028	7296	4086	341
KATHERINE									
1B2630112	N	100	11369	19768	8399 EX	3791	4608-	5292	1013
PLATERO									
1E4226111100	N	100	4082	288	3794	3880	7674	5353	1047
2M3226111100	N	100	9296	128	9168	2999	12167	4750	711
JAMES									
1A1830111	T	100	3198	8441	5243 EX	1916	3327-	4008	298
SCOTT									
1B2227111100	N	100	16018-	195	16213 EX	3104	13109-	4821	751
2D6227111100	N	100	6613-		6613 EX	1485	5128-	3714	134
MARY SHELBURNE									
1K1301111	E	100	6121	77	6044	2312	8356	4279	449
SIBLEY									
1C3227111100	N	100	4950-	368	5318 EX	34403	29085	26236	12683
RAYMOND STATE									
1M1730111	A	100	1721	1721		3609	3609	3609	158
KATE STANDLEY									
1J1230112	N	100	2815	308	2507	3649	6156	5195	959

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
OLLIE SULL	IVAN								
1A 22 23012	N	100	4472-	219	4691 EX	3156	1535-	4857	771
GLENN SWIRE									
1N 8 3011	N	100	12608	8962	3646	4053	7699	5471	1113
THOMPSON FEDERAL									
1A 32712	N	100	2518	1333	1185	2577	3762	4461	550
2G 10 2712	N	100	8219-		8219 EX	4473	3746-	5758	1273
LEORA WALLACE									
1N 14 3012	N	100	8927-	126	9053 EX	2333	6720-	4294	457
FANNIE WARD									
1K 18 3011	N	100	72-	2982	3054 EX	1218	1836-	3531	32
WARREN FEDERAL									
1A 17 2712	N	100	4149	2482	1667	1449	3116	3689	120
PEARL WILKES									
1A 14 3012	N	100	6874	13433	6559 EX	2422	4137-	4355	491
WRIGHT STATE									
1A 16 2712	N	100	747-	2644	3391 EX	1700	1691-	3861	216
SUNRAY DX	OIL		COMPANY						
FARMINGTON			SITE UNIT						
1B 22 9113	N	100	15619	15980	361 EX	3316	2955	4967	832
NEW MEXICO			FEDERAL						
2A 12 9114	M	1000	1874	1874		2048	2048	2048	96
3D 12 9114	N	100	1647-	6109	7756 EX	3390	4366-	5017	860
NEW MEXICO			STATE Z						
1J 22 9114	N	100	1099	3883	2784 EX	1551	1233-	3759	159
SUNSHINE	ROYALTY COMPANY								
SOUTHERN UNION			B FEDERAL						
1B 32 9113	N	100	331-	111	442 EX	1892	1450	3992	289
TENNECO	CORPORATION								
ALLEN DAKOTA			UNIT A						
1D 12 9112	N	100	7541	25804	25050 EX	4140	20910-	5530	1146
BASSETT			UNIT						
1D 33 3010				27048	27048 EX		27048-		
WALTER	BERGER		FEDERAL						
2D 23 2611	N	1000	2204	218	2422 EX	4966	2544	6096	1461
3D-I 22 2611	N	1000	1089	49	1094 1 EX	3238	7703-	4913	802
4C 22 2611	N	1000	1098	244	1122 9 EX	5113	6116-	6196	1517
5O 14 2611	N	1000	1352	4123	9398	2453	11851	4376	503
WALTER	BERGER A GAS UNIT								
1J 21 2611	N	100	5784	292	5492	2228	7720	4222	417
BOLACK GAS			UNIT A						
1B 22 7111	N	100	18337	436	17901	8526	26427	8531	2818
CALLAWAY GAS			UNIT A						
1J 27 6111	N	100	7429	3438	3991	2802	6793	4615	636
GLENN			FEDERAL						
8O-I 22 9133	N	1000	1377485-	235041	1612521 EX	10501	1507511-	9882	3571
9C-I 22 9133	N	1000	418365-	131411	0549771 EX	4667	503105-	5891	1347
11O-I 22 9133	M	1000	19366	1936		2603	2603	2603	95
12C 22 9133	N	1000	10392-	5242	15634 EX	2592	13042-	4471	556
GLENN			UNIT A						
1D 27 2011	N	100	13051 1-	5636	136147 EX	46503	89644-	34515	17296
CODY-RODNEY GAS			UNIT A						
1K 23 3011			18419-	188	18607 EX		18607-		
CORNELL GAS			UNIT A						
1D 10 2912	N	100	4006	33822	29816 EX	4526	25290-	5794	1293
CORNELL GAS			UNIT B						
1D 14 2911	N	100	10867 1	50841	57830	18559	76389	15396	6643
CORNELL GAS			UNIT C						
1D 11 2912	N	100	19871-	3878	23749 EX	3169	20580-	4866	776
CORNELL GAS			UNIT D						
1O 12 2912				50594	50594 EX		50594-		
CORNELL GAS			UNIT E						
1M 12 2911				12389	12389 EX		12389-		
DUDLEY GC	ORNELL		FEDERAL						

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
10 12912	N	1.00	12413-	2772	15185 EX	5239	9946-	6282	1565
MARQUIS GAS UNIT A									
1P 15229 11	N	1.00	14268-	136	14404 EX	5116	9288-	6198	1518
JOHNSTON FEDERAL									
2D 18267 7	N	1.00	9238-		9238 EX	3484	5754-	5082	896
CLYDE B. ARNOLD FEDERAL									
1D 22761 1	N	1.00	19000	12179	6821	6907	13728	7424	2201
BERNARD UNIT A									
1E 21291 3	N	1.00	21394	478	20916	1446	22362	3687	119
R. E. MCKINLEY GAS UNIT A									
1A 9301 2	N	1.00	12883	6891	4008 EX	2149	1859-	4168	387
R. E. MCKINLEY GAS UNIT B									
1K 9301 2	N	1.00	14536-	70	14606 EX	2461	12145-	4382	506
R. E. MCKINLEY GAS UNIT C									
1B 20 1	N	1.00	11519-	2081	13600 EX	2141	11459-	4163	384
ELVIN GAS UNIT A									
1C 19 1	N	1.00	17321-	430	21620 EX	4014	1852	5444	1098
HIKK A GAS UNIT A									
1A 9 7	N	1.00	19451-	47	19920 EX	3093	11014	4814	747
SAN JUAN 29-7 UNIT DAKOTA GAS UNIT A									
1P 21 1	R	1.00	93921	93921 EX			93921-		
SULLIVAN UNIT A									
1C 25 1	N	1.00	45500-	191	45691 EX	8009	37682-	8177	2621
SULLIVAN GAS UNIT A									
1D 13 1	N	1.00	29717-	111	29828 EX	6650	23178-	7248	2103
VALDEZ UNIT A									
1 24 1	N	1.00	8961-	475	9436 EX	7356	2080-	7731	2372
W. H. DOOLEY FEDERAL									
1G 22 2	N	1.00	9470-		9470 EX	2611	6859-	4484	563
2E 22 2	N	1.00	11870		11870	1286	13156	3578	58
W. H. DOOLEY FEDERAL									
1A 21 2	N	1.00	20184	11355	8829	4667	13496	5891	1347
TEXACO INC									
L. M. BARTON FEDERAL									
1F 12 3	N	1.00	11144446-	893	13553	1635	15188	3816	191
NAVAJO TRIBAL A									
1P 19 2	N	1.00	20503-	244	20747 EX	3576	17171-	5144	931
TEXAS EASTERN TRANSMISSION CORPORATION									
CARNAHAN UNIT									
1P 35 3	N	1.00	3941	17008	13067 EX	3146	9921-	4850	767
RICE UNIT									
1M 20 3	N	1.00	11955		11955	3353	15308	4992	846
STEPHENS UNIT									
1M 21 3	N	1.00	14218	6451	7767	1881	9648	3985	285
TIDEWATER OIL COMPANY									
CAMPBELL FEDERAL DAKOTA UNIT									
1B 15 2	N	1.00	4706	2402	2304	1488	3792	3716	135
CARTER FEDERAL DAKOTA UNIT									
1L 10 2	N	1.00	16383-	8681	25064 EX	2862	22202-	4656	659
FEDERAL 2 E UNIT									
1B 22 7	N	1.00	7450-	117	7567 EX	1939	5628-	4024	307
FEDERAL 2 W UNIT									
1L 22 7	N	1.00	4490	88	4402	2049	6451	4100	349
FEDERAL 3 S UNIT									
1M 32 7	N	1.00	20329	356	19973	16838	36811	14218	5987
MAE GALLEGOS UNIT									
1E 24 2	N	1.00	16269-	353	16622 EX	6682	9940-	7269	2115
W. M. HANLEY									
1F 18 2	N	1.00	7511	330	7181	3537	10718	5117	916
NEW MEXICO UNIT FEDERAL									
1A 19 2	N	1.00	14705-	276	14981 EX	5171	9810-	6236	1539
NEW MEXICO UNIT 12 E FEDERAL									
1J 12 2	N	1.00	2035	338	1697	3099	4796	4818	749
NEW MEXICO UNIT 13 E FEDERAL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1H132911	N	100	1380-	135	1515 EX	2335	820	4295	458
NEW MEXICO DEEP UNIT 13 W FEDERAL									
1E132911	N	100	37126	34029	3097	6603	9700	7215	2085
M. L. WRIGHT									
1B133012			9217-	4127	13344 EX		13344-		
J. GLENN TURNER			....	....	....	.....			
BALLARD FEDERAL									
11D1526 9	N	100	15194	159	15035	2629	17664	4496	570
12J1526 9	N	100	30924	479	30445	5231	35676	6277	1562
13E1426 9	N	100	6372-		6372 EX	3676	2696-	5213	969
14L1426 9	N	100	1079-		1079 EX	4274	3195	5622	1197
HARE FEDERAL									
1N142910	N	100	16541-	1502	18043 EX	5646	12397-	6560	1720
HUBBELL FEDERAL									
1N172910	N	100	2949	1766	1183	7314	8497	7702	2356
NYE FEDERAL									
1J 42910	N	100	6938-	116	7054 EX	3689	3365-	5222	974
1L 82910	N	100	2617	62	2555	4769	7324	5961	1386
1E 92910	N	100	1095-	98	1193 EX	2409	1216	4346	486
2G 82910	N	100	2838	60	2778	3390	6168	5017	860
OMLER FEDERAL									
2G142910	N	100	22513-	240	22753 EX	6939	15814-	7445	2213
WOOD FEDERAL									
2H172910	N	100	17707	11409	6298	5874	12172	6717	1807
UNION TEXAS PETROLEUM CORPORATION					.....	.....			
NEW MEXICO A									
1H162912	N	100	27768-	4604	32372 EX	4145	28227-	5534	1148
WESTERN NATURAL GAS CO.				....	....	.....			
KRAUSE FEDERAL									
1M322811	N	100	8454-		8454 EX	3922	4532-	5381	1063
SCHLOSSER FEDERAL									
1C102711	N	100	3951		3951	2354	6305	4308	465
2M 32711	N	100	17874-		17874 EX	4843	13031-	6011	1414
WILSHIRE OIL CO OF TEXAS				....	....	.....			
MOBIL RUDMAN FEDERAL									
1D2725 9	N	102	11452	4820	6632	1949	8581	4085	296
2N2125 9	N	100	6337	62	6275	2217	8492	4215	413
PIPELINE	TOTAL		1309614-	2408444	3718058 EX	2594013	1124045-	3375039	
KERN COUNTY LAND COMPANY PIPELINE SYSTEM									
KERN COUNTY LAND COMPANY				....	....	.....			
MCKENZIE FEDERAL									
1M2525 6	N	100	714	2175	1461 EX	1415	46-	3666	107
3402525 6	N	100	1614-	5655	7269 EX	1498	5771-	3723	139
PIPELINE	TOTAL		900-	7830	8730 EX	2913	5817-	7389	
PAN AMERICAN GAS COMPANY PIPELINE SYSTEM									
PAN AMERICAN PETROLEUM CORPORATION					....	.....			
GALLEGOS CANYON UNIT									
960182912	N	100	20804-	41322	X062126 EX	5916	56210-	6745	1823
102C132913	N	100	7250-	17709	24959 EX	2527	22432-	4426	531
106A242913	N	100	37606-	312	37918 EX	5913	32005-	6743	1822
107D192912	N	100	18362-	2010	20372 EX	2472	17900-	4389	510
108J132913	N	100	44302-	23509	X067811 EX	5848	61963-	6699	1797
109M182912	N	100	6832-	210	7042 EX	2018	5024-	4078	337
110G192912	N	100	70623-		X070623 EX	8783	61840-	8707	2916
111K202912	N	100	42714-		X042714 EX	6265	36449-	6984	1956
133G172912				3206	3206 EX		3206-		
134M172912				1735	1735 EX		1735-		
PIPELINE	TOTAL		248493-	85072	333565 EX	39742	293823-	48771	

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE			JULY		AUGUST	
			BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
PAN AMERICAN PETROLEUM CORP. PIPELINE SYSTEM									
PAN AMERICAN PETROLEUM CORPORATION						.....			
O. H. RANDEL FEDERAL									
1L 92611	N	100	60941	27251	33690	11710	45400	10710	4032
2N102611	N	100	2346	5075	2729 EX	1645	1084-	3823	195
PIPELINE TOTAL			63287	32326	30961	13355	44316	14533	
PLATEAU INCORPARTED GAS PIPELINE SYSTEM									
PAN AMERICAN PETROLEUM CORPORATION						.....			
DAVIS GAS UNIT F									
1I272911	N	100	4913-	14237	19150 EX	4937	14213-	6076	1450
PIPELINE TOTAL			4913-	14237	19150 EX	4937	14213-	6076	
SOUTHERN UNION GAS PIPELINE SYSTEM									
ARIZONA EXPLORATIONS, INCORPORATED						.....			
JICARILLA CONTRACT 77									
1D1523 5									
ASPEN CRUDE PURCHASING COMPANY						.....			
FEDERAL									
1J 53113	XM	100	498	498		816	816	816	36
ATLANTIC REFINING CO						.....			
STATE GAS UNIT B									
1N162910	N	100	39976		39976	4318	44294	5652	1214
STATE GAS UNIT A									
1G362911	N	100	36010		36010	5530	41540	6481	1676
STATE GAS UNIT C									
1B163012	N	100	2977		2977	1577	4554	3777	169
AZTEC OIL & GAS COMPANY						.....			
AZTEC FEDERAL									
7I142811	N	100	192725	12242	180483	18753	199236	15528	6717
8D142811	N	100	32330	20514	11816	8780	20596	8705	2915
BECK UNIT A									
1LJ102912	N	100	14705		14705	5827	20532	6684	1789
CAIN FEDERAL									
9K165822	N	100	145492		145492	10656	156148	9988	3630
1M155811	N	100	120329		120329	10999	131328	10223	3761
1A155811	N	100	96911		96911	7959	104870	8143	2602
2A165811	N	100	167763	10127	157636	11367	169003	10475	3901
3M339978	N	78	50021-		X050021 EX	3807	46214-	4709	1428
3M339984	N	84	1794-		1794 EX	2812	1018	4190	844
COOPER FEDERAL									
3L162911	N	96	34498	4115	30383	3984	34367	5316	1150
COOPER B									
1H172911	N	100	41218		41218	4654	45872	5882	1342
COOPER D									
4B182911	N	100	65684		65684	4295	69979	5636	1205
CONZE FEDERAL									
6L182911	N	100	60125	2766	57359	3870	61229	5345	1043
CONZE FEDERAL B									
1L192911	N	100	23072	8203	14869	6239	21108	6913	1995
CONZE STATE C									
1B242911	N	100	26535	1477	25058	4240	29298	5598	1184
GRENIER FEDERAL									
3K295910	N	100	35323		35323	2493	37816	4403	518
4G295910	N	100	40883		40883	3196	44079	4884	786
HANKS D									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
11L 7 27 9	N	100	117297		117297	6779	124076	7336	2152
12H 7 27 9	N	98	155632	30293	125339	7199	132538	7570	2368
13A 12 27 10	N	100	96774	47250	49524	5583	55107	6517	1696
14M 12 27 10	N	100	59034		59034	3804	62838	5301	1018
15B 6 27 9	N	122	94438		94438	4526	98964	6388	982
16K 6 27 9	N	109	71292	28809	42483	4011	46494	5685	971
17N 5 27 9	N	105	88127		88127	3968	92095	5548	1009
18B 5 27 9	N	100	40088	6891	33197	2060	35257	4107	353
HARE D FEDERAL									
14K 10 29 10	N	100	17281		17281	2915	20196	4692	679
15M 3 29 10	N	100	46247		46247	3130	49377	4839	761
16H 3 29 10	N	100	38937		38937	2902	41839	4683	674
17B 15 29 10	N	100	47574		47574	3930	51504	5387	1066
18H 10 29 10	N	100	34310		34310	3049	37359	4784	730
19A 23 29 10	N	100	35552-		35552 FX	6217	29335-	6952	1938
HUBBELL GAS UNIT A									
1B 29 28 10	N	100	51810		51810	8187	59997	8299	2689
A. D. HUDSON FEDERAL									
4J 29 27 9	N	100	50338		50338	3510	53848	5100	906
5C 29 27 9	N	100	5680		5680	2026	7706	4084	340
HUGHES FEDERAL									
2C 23 28 11	N	100	160426		160426	11618	172044	10647	3997
MANGUM B FEDERAL									
1P 32 29 11	N	98	21674		21674	4445	26119	5685	1297
MANGUM D									
4K 28 29 11	N	100	27301		27301	4253	31554	5607	1189
5I 29 29 11	N	100	18802	3055	15747	3217	18964	4899	794
MCCLANAHAN D FEDERAL									
14F 23 28 10	N	100	148899		148899	11099	159998	10292	3799
15N 14 28 10	N	100	119817		119817	10149	129966	9642	3437
16L 24 28 10	N	100	58555		58555	7873	66428	8084	2569
17A 24 28 10	N	100	22715		22715	4061	26776	5476	1116
18A 13 28 10	N	100	59396		59396	4990	64386	6112	1470
19G 14 28 10	N	100	173700	46380	127320	10013	137333	9549	3385
20N 13 28 10	N	100	148839	24302	124537	6267	130804	6986	1957
MCDANIELS STATE B									
1M 17 29 11	N	100	39832	4965	34867	4266	39133	5616	1194
MCDANIEL C FEDERAL									
1B 19 29 11	N	100	20333	6069	14264	4276	18540	5624	1198
MCGRATH B FEDERAL									
1J 2 29 12	N	100	50445		50445	3198	53643	4886	787
NEWMAN A FEDERAL									
8H 19 28 10	N	100	100390	3791	96599	9580	106179	9252	3220
NEWMAN B FEDERAL									
6M 19 28 10	N	100	76389	3021	73368	4688	78056	5905	1355
NEWMAN C FEDERAL									
1B 30 28 10	N	101	131511		131511	7186	138697	7641	2280
REID D									
18K 18 28 9	N	100	56433		56433	5357	61790	6363	1610
19B 18 28 9	N	100	85153		85153	3870	89023	5345	1043
20A 19 28 9	N	94	62019		62019	3416	65435	4873	953
21L 19 28 9	N	94	80917		80917	6687	87604	7111	2280
22N 7 28 9	N	108	40069		40069	2741	42810	4789	535
23L 17 28 9	N	100	46720		46720	3489	50209	5085	898
SAMMONS D									
2G 32 30 12	N	100	13199	9327	3872	3691	7563	5223	975
SATEGNA									
2M 21 29 11	N	100	43002	3440	39562	7238	46800	7650	2327
THOMPSON FEDERAL									
5A 33 31 12	XM	100							29
WHITLEY D FEDERAL									
5G 8 27 9	N	100	21238	6002	15236	2605	17841	4480	561
6N 8 27 9	N	100	14430		14430	3471	17901	5073	891
7K 9 27 9	N	100	30321		30321	1973	32294	4048	320
WHITLEY A									
2M 17 27 11	N	100	13349	113	13236	3314	16550	4965	831
YOUNG D									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1D 22912	N	100	60489		60489	3702	64191	5231	979
THE BRITISH AMERICAN OIL PRODUCING COMPANY ..									
DOUTHIT C FEDERAL									
2L 27211	N	100	78952	41758	37194	5110	42304	6194	1516
3D 26211	N	100	7247		7247	3744	10991	5259	995
FULLERTON FEDERAL									
5B15 2711	N	100	26437	15997	10440	2708	13148	4550	600
SCOTT FEDERAL									
9E23 2711	N	100	22404		22404	4945	27349	6081	1453
11M25 2711	N	100	7041-		7041 EX	2062	4979-	4109	354
CAULKINS OIL COMPANY ..									
BREECH A FEDERAL									
2O4B 926 6	N	100	18249		18249	6023	24272	6819	1864
BREECH C									
2A4A 1426 6	N	100	29346-		29346 EX	9342	20004-	9089	3129
3L13 266 6	N	100	11077		11077	11437	22514	10523	3928
BREECH D FEDERAL									
1A11 266 6	N	100	11905		11905	5785	17690	6656	1773
BREECH E FEDERAL									
8A 326 6	N	100	9508-	7657	17165 EX	2700	14465-	4545	597
5A 266 6	N	100	15270-		15270 EX	3361	11909-	4997	849
BREECH F FEDERAL									
4A33 276 6	N	100	10586-	10735	21321 EX	3912	17409-	5374	1059
8A34 276 6	N	100	26490-	10997	XO37487 EX	3492	33995-	5087	899
REUTER FEDERAL									
321M15 266 6	N	100	15340		15340	9334	24674	9084	3126
STATE A									
62A 226 6	N	100	15481-		15481 EX	4182	11299-	5559	1162
113M 226 6	N	100	9616	5557	4059	5771	9830	6647	1768
268H16 266 6	N	100	13792-		13792 EX	3972	9820-	5415	1082
STATE B									
233D16 266 6	N	100	20348-		20348 EX	3274	17074-	4938	816
COMPASS EXPLORATION INCORPORATED									
FARMINGTON CITY FEDERAL									
1B 4291 3	N	100	28891	6760	22131	1900	24031	3998	292
FEDERAL									
1M25 3013	N	100	43400	15562	27838	4796	32634	5979	1396
1M26 3013	N	100	39408	16604	22804	3059	25863	4791	734
2A26 3013	N	100	36057	15765	20292	2500	22792	4409	521
CONSOLIDATED OIL AND GAS INCORPORATED									
ARNSTEIN FEDERAL									
1K18 3112	N	100	30520	20573	9947	4696	14643	5911	1358
BAIRD									
1H 4311 3	N	100	28415		28415	1748	30163	3893	234
CAIN FEDERAL									
1A25 3113	N	100	5591		5591	3080	8671	4805	742
CANDAD FEDERAL									
1M15 266 7	N	100	15889	4614	11275	1693	12968	3856	213
COMPASS									
1J22 3113	N	100	34597		34597	2532	37129	4430	533
DUKE									
1H13 3113			32581-	10619	43200 EX		43200-		
FRANKEL									
1H16 3113	NC	100	7375-		7375 EX	2023	5352-	4082	339
A GROSS									
1K 9311 3	N	100	26572		26572	1829	28401	3949	265
GROSS FEDERAL									
1N 7311 2	N	100	21458	11311	10147	2621	12768	4491	567
HALE FEDERAL									
1B24 266 8	N	100	15364		15364	1944	17308	4028	309
2C15 266 8	N	100	31270		31270	3290	34560	4949	822
CONHALE FEDERAL									
3A26 268	N	100	25201		25201	1614	26815	3802	183

BASIN DAKOTA POOL SOUTHERN UNION GAS SYSTEM YEAR: 1963 PAGE:

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACRE DELIVE
HALE ADOBE FEDERAL									
1G2831133	N	100	26222		26222	2128	28350	4154	379
JACKSON FED			DERAL						
2G1831122	N	100	71059	26248	44811	6065	50876	6848	1880
KAUFMAN FED			ERAL						
1H3331133	N	100	23483	14066	9417	2364	11781	4315	469
KLINE									
1G1031133	N	100	1753	5596	3843 EX	2097	1746-	4132	367
LANDAUER									
1H 3311333	N	100	43842		43842	2860	46702	4654	658
LANGENDORF			FEDERAL						
1H3431133	N	100	27267	9944	17323	3117	20440	4830	756
LEA FEDERAL									
1K3031122	N	100	41108	22350	18758	3348	22106	4988	844
LEEDS FEDERAL									
1L 8311223	N	100	36442	17761	18681	5034	23715	6142	1487
NANCE FEDERAL									
1J2731133	N	100	20613		20613	2981	23594	4737	704
NCRA FEDERAL									
1D2226 7	N	100	8507		8507	2015	10522	4077	336
NEUMAN FEDERAL									
1B2031122	N	100	50748	18025	32723	4449	37172	5742	1264
OSHEA									
1K 3311133	N	100	9488	1140	8348	1797	10145	3928	253
PAYNE FEDERAL									
1K3531133	N	100	21379		21379	2763	24142	4588	621
2H3531133	N	100	31258	9390	21868	2973	24841	4732	701
3L2631133	N	100	19334	6389	12945	2039	14984	4093	345
PHILLIPS FEDERAL									
1-I 2331133			9929-	10738	20667 EX		20667-		
PRICE									
1N1531133	N	100	24739		24739	2112	26851	4143	373
ROBINSON BR			OTHERS						
1P3432132	N	102	11591	2936	8655	1458	10113	3749	113
ROURKE									
1M 43013			51035-		51035 EX		51035-		
SEGAL									
1K1031133	N	100	10332	899	9433	1724	11157	3877	225
SENTER FEDERAL									
1N2431133	N	100	9827		9827	1942	11769	4026	308
SOUTHERN UNION FEDERAL									
1M1931122	N	95	19135		19135	3774	22909	5145	1082
2A1931122	N	100	29361		29361	5294	34655	6320	1586
STARR FEDERAL									
1N1331133	N	100	21521		21521	2760	24281	4586	620
TEMPLETON									
1C2731133	N	103	27399		27399	1981	29380	4134	301
WILMERDING									
1B 9311333	N	100	23790	3828	19962	1905	21867	4001	294
DELHI TAYLOR OIL CORPORATION									
HARGRAVE FEDERAL									
1C 4271013	N		1212-		1212 EX	187	1025-	478	112
L. B. LODE WICK FEDERAL									
3M1827 9	N	100	31663	11834	19829	3642	23471	5189	956
4F1827 9	N	100	27173	12217	14956	3400	18356	5024	864
EL PASO NATURAL GAS COMPANY									
HUERFANO UNIT									
4F2426 10	N	50	20377	3173	17204	879	18083	1950	238
KERN COUNTY LAND COMPANY									
HARVEY STATE									
1N3625 6	N	100	41792		41792	4727	46519	5932	1370
KINGWOOD OIL COMPANY									
U. S. KNAUFF FEDERAL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1A1327100	N	100	28689		28689	3413	32102	5033	869
KNAUFF B FEDERAL	E								
1C3128100	N	100	14124		14124	4253	18377	5607	1189
U.S. KUTZ CANYON FEDERAL	N								
DO1M2228100	N	100	39142	28243	10899	4901	15800	6051	1436
PAN AM ERICAN PETROLEUM CORPORATION						.....			
DAVIDSON GAS UNIT F									
1M2828100	N	100	41726		41726	3702	45428	5231	979
DAVIDSON GAS UNIT G									
1H2128100	N	100	171191		171191	12909	184100	11530	4489
DAVIDSON GAS UNIT H									
1H2228100	N	100	118524	74912	43612	19716	63328	16187	7084
LUFF DAY FEDERAL									
1B2028100	N	100	104169		104169	10496	114665	9879	3569
LUFF DAY FEDERAL									
1L1728100	N	100	54338	3176	51162	5475	56637	6444	1655
DAY GAS UNIT N									
1P 728100	N	100	32013		32013	3862	35875	5340	1040
FREEDOM FEDERAL									
1K2728100	N	100	30095		30095	2251	32346	4238	426
FREEDOM FEDERAL									
1H3328100	N	100	81233		81233	4308	85541	5645	1210
FREEDOM FEDERAL									
1G3428100	N	100	46087		46087	6488	52575	7136	2041
FREEDOM FEDERAL									
1H3228100	N	100	149586	34379	115207	5973	121180	6785	1845
MAGNUM FEDERAL									
1L1278100	N	100	37763		37763	2222	39985	4218	415
MAGNUM FEDERAL									
1N 628100	N	100	21875	4037	17838	1588	19426	3892	150
U.S. GRADY FEDERAL	O								
1D2 2728100	N	100	16121	351	15770	4489	20259	5769	1279
R.D. HARRAGAN FEDERAL	N								
1B 928100	N	100	27761	14451	13310	3663	16973	5204	964
R.D. HARRAGAN FEDERAL	N								
1D 328100	N	100	81143		81143	3392	84535	5019	861
R.D. HARRAGAN FEDERAL	N								
1D 628100	N	100	31647		31647	2118	33765	4147	375
R.D. HARRAGAN FEDERAL	N								
LIC1228100	N	100	50405		50405	3347	53752	4637	1035
LOUISIANA ACT R	C		147						
1H2228100	N	100	320555-	7794	X039849EX	3382	36467-	5012	857
LOUISIANA GAS UNIT B	S		4806-	3496	8302EX	3295	5007-	4952	824
1H2228100	N	100	98999-	3758	13657EX	2236	11421-	4227	420
LOUISIANA GAS UNIT B	S		2173	386	1787	5066	6853	6164	1499
KUTZ GAS UNIT FEDERAL	T		134149	18000	116149	6157	122306	6910	1915
MAGNUM FEDERAL			28751	162	28589	2768	31357	4592	623
MOORE FEDERAL			3220	3341	121EX	1409	1288	3662	105
AOE FEDERAL	B		31498	202	31296	2406	33702	4344	485
1 5668100	N	100	71388		71388	4171	75559	5552	1158
2 6651100	N	100	64796		64796	5076	69872	6157	1503
3 3311100	N	100	1696088	45231	1243775	7553	1319302	7865	2447
3 3311100	N	100	39755		39755	2007	59762	4071	333
1 1221100	N	100	57627		57627	4670	62297	5893	1348
2 2221100	N	100	44199		44199	3413	47612	5033	869
1 1221100	N	100	35635		35635	1978	37613	4051	325
1 1221100	N	100	41366		41366	3403	44769	5026	865
CATKINS PAUL			....	.....	.....	.....			

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1B153113	NC	100	1113251-		3251 EX	1724	1527-	3877	225
R AND G DRILLING COMPANY									
LUNT FEDERAL									
61A 6301313	N	100	82293	7693	74600	5677	80277	6582	1732
62A1 8301313	N	100	119142	11031	108111	8922	117033	8802	2969
63A 7301313	N	100	36334		36334	3028	39362	4769	722
64M 5301313	N	100	73269		73269	5113	78382	6196	1517
65K 8301313	N	100	40749		40749	3188	43937	4879	783
66L1 7301313	N	100	90424	11533	78891	7128	86019	7574	2285
67N 6301313	N	101	80802		80802	9749	90551	9395	3248
REDFERN DEVELOPMENT CORPORATION									
LARGO SPUR FEDERAL									
1J1824 6	N	100	2034	1463	571	1386	1957	3646	96
VAL R. REESE AND ASSOCIATES INCORPORATED									
LYBROOK FEDERAL									
1C1924 6	N	100	41934	21758	20176	2558	22734	4448	543
SPERLING FEDERAL									
113024 6	XM	100	6748	6748					23
PAUL F. RUTLEDGE									
MILLER A FEDERAL									
1A1324 7	N	100	14273		14273	3938	18211	5392	1069
MILLER B FEDERAL									
5N1224 7	N	100	12440		12440	4224	16664	5588	1178
NEW MEXICO FEDERAL K									
1M 8281O	N	100	1995		1995	7065	9060	7531	2261
SOUTHERN UNION PRODUCTION COMPANY									
SANGER FEDERAL									
1 2281	N	100	113394		113394	7518	120912	7842	2434
2 2281	N	100	3401-		3401 EX	7637	4236	7923	2479
3 2281	N	100	27139-	7401	34540 EX	9688	24852-	9326	3261
4 2281	N	100	924		924	15078	16002-	13014	5316
ANGEL DEAK B FEDERAL									
2OA 2281	N	100	325538	4962	320576	25466	346042	20121	9276
CAVIN									
1 2629 1	N	100	11659-		11659 EX	7521	4138-	7844	2435
CONGRESS FEDERAL									
4A 3529 1	N	100	98446		98446	6036	104482	6828	1869
5GM 3429 1	N	100	10237		10237	7689	17926	7958	2499
6K 3529 1	N	100	30368		30368	9061	39429	8897	3022
7KN 3429 1	C	100	22938-		22938 EX	6050	16888-	6837	1874
EATON FEDERAL									
1A1528 1	N	100	127620		127620	7734	135354	7989	2516
CITY OF TATUM GAS									
1A3530 13	NC	100	21081-		21081 EX	3356	17725-	4994	847
2L3530 13	NC	100	15944-		15944 EX	4022	11922-	5449	1101
FEDERAL A 1830 12	N	100	27192		27192	2115	29307	4145	374
FEDERAL SEC 25	I	100							
1K2531 13	NC	100	12342-		12342 EX	3235	9107-	4911	801
2GC2530 13	NC	100	16756-		16756 EX	4421	12335-	5722	1253
FEDERAL SEC 31	I	100							
1N3130 11	N	100	14260-	3738	17998 EX	2483	15515-	4585	452
UICA RILLA B	C	00	TRACT 106						
5D2626 4			8884-		8884 EX		8884-		
UULANDER FEDERAL									
1J3129 11	N	100	126854	50057	76797	12576	89373	11302	4362
CONGRESS FEDERAL A	H	MA	N						
4M1828 10	N	100	48576		48576	10949	59525	10189	3742
MANGUM									
1L2729 11	NC	100	15276-		15276 EX	4442	10834-	5737	1261
MCCLANAHAN FEDERAL									
2M2328 10	N	100	34502-		34502 EX	8261	26241-	8350	2717

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
MCCORD FEDERAL									
1 M 15 30 13	N	100	17559	2681	14878	1546	16424	3755	157
2 L 34 30 13	N	100	14526	7119	7407	1808	9215	3935	257
3 B 34 30 13	N	100	2062-		2062 EX	2249	187	4236	425
4 G 22 30 13	N	100	21483-		21483 EX	4297	17186-	5638	1206
5 N 27 30 13	N	100	18251-		18251 EX	3560	14691-	5134	925
MCCORD B FEDERAL									
1 M 23 30 13	N	100	17981-		17981 EX	4103	13878-	5505	1132
NYE FEDERAL									
1 M 20 31 12	N	100	69207	38484	30723	3600	34323	5161	940
PIERCE A									
2 A 34 29 10	N	100	90923		90923	8785	99708	8709	2917
REID A FEDERAL									
1 A 1 30 13	N	100	22458		22458	3484	25942	5082	896
2 L 1 30 13	N	100	2873		2873	5126	7999	6205	1522
REID B FEDERAL									
1 K 31 29 10	N	100	763		763	3497	4260	5091	901
2 G 31 29 10	N	100	10524		10524	5672	16196	6578	1730
SAINZ FEDERAL									
1 K 20 29 11	N	100	5364-		5364 EX	7576	2212	7881	2456
STATE									
1 G 16 28 9	N	100	9077		9077	2939	12016	4708	688
SUMMIT FEDERAL									
6 G 33 29 11	N	100	6309-		6309 EX	6923	614	7434	2207
TAL-AFERRO FEDERAL									
2 M 31 31 11	N	100	36365		36365	3382	39747	5012	857
3 A 31 31 11	N	100	5300-		5300 EX	4486	814-	5767	1278
4 M 29 31 12	N	100	1700-		1700 EX	4691	2991	5907	1356
WITT									
1 N 33 29 11	N	97	2070-		2070 EX	6165	4095	6835	1991
ZACHRY FEDERAL									
14 M 10 22 8	N	100	67144	3002	64142	9725	73867	9351	3275
15 N 33 22 9	N	100	123185		123185	9971	133156	9520	3369
16 H 33 22 9	N	100	149802		149802	10805	160607	10091	3687
17 M 35 22 9	N	100	95547		95547	7429	102976	7781	2400
18 M 11 22 8	N	100	74356		74356	5437	79793	6472	1600
19 N 12 22 8	N	100	31235	2088	29147	7896	37043	8100	2578
SOUTHWEST PRODUCTION COMPANY									
UENK-INS FEDERAL									
1-13 27 12	N	100	27591	5939	21652	1766	23418	3906	241
ZACHRY FEDERAL									
1 L 34 29 10	N	100	54036		54036	8888	62924	8779	2956
SUNRAY DX OIL COMPANY									
APACHE									
1 M 22 23 5	N	100	19495	2224	17271	1632	18903	3815	190
NE MEXICO FEDERAL									
1 M 17 33 11	N	100	23636	8591	15045	2469	17514	4387	509
2 A 17 33 11	N	100	24116	7239	16877	2490	19367	4401	517
3 A 1 33 11	N	100	2624		2624	2300	4854	4224	418
4 A M 7 33 11	N	100	9627		9627	4137	13764	5528	1145
5 M 7 33 11	N	100	43349	25435	17914	3232	21146	4909	800
6 M 6 30 11	N	100	25376		25376	4714	30090	5923	1365
SUNSET INTERNATIONAL PETROLEUM CORPORATION									
KUTZ FEDERAL									
1 A 22 8 22	N	100	49011		49011	5139	54150	6214	1527
2 M 22 7 22	N	100	116201	35962	80239	9220	89459	8992	3075
1 G 18 22 8	N	100	32994		32994	13263	46257	11772	4624
1 N G 22 8	N	100	99466		99466	9887	109353	9462	3337
1 N M 22 12 8	N	100	75240		75240	13114	88354	11670	4567
1 K 33 22 8	N	100	39482		39482	3120	42602	4832	757
KUTZ A FEDERAL									
1 K 32 28 10	N	100	68395	5735	62660	7574	70234	7879	2455

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
KUTZ E FEDERAL									
1G 1728 10	N	100	65954		65954	8704	74658	8653	2886
KUTZ F FEDERAL									
1H 1627 10	N	100	10330	8273	2057	4392	6449	5703	1242
2H 427 10	N	100	61860	32470	29390	6055	35445	6840	1876
KUTZ H FEDERAL									
1L 927 10	N	100	14199	24168	9969 EX	7741	2228-	7994	2519
KUTZ J FEDERAL									
2B 627 10	N	100	129-	9317	9446 EX	1968	7478-	4044	318
MARTIN C FEDERAL									
1B 327 10	N	100	37252		37252	7374	44626	7743	2379
TEXACO INC									
H. J. LOE B FEDERAL									
2G 2329 12	N	100	19600	25222	5622 EX	21316	15694	17282	7694
3M 2329 12	N	100	6591	23469	16878 EX	20041	3163	16410	7208
STATE OF NEW MEXICO GAS UNIT H									
1D 3630 13	NC	100	42357-	6595	X048952 EX	4992	43960-	6114	1471
J. GLENN TURNER									
THOMAS									
1L 3029 11	N	98	20296		20296	3341	23637	4930	867
PIPELINE TOTAL			9981076	1275652	8705424	1285520	9990944	15500025	
SOUTHERN UNION GATHERING SYSTEM									
AZTEC OIL AND GAS COMPANY									
DAVIS D FEDERAL									
7D 1131 12	N	95	63686	2479	61207	3433	64640	4911	945
8O 1131 11	N	96	5720-	1249	6969 EX	4129	2840-	5415	1207
EA ST DAKOTA FEDERAL									
5N 2431 11	N	100	42679	8926	33753	2304	36057	4274	446
6N 2431 11	N	100	38388	6476	31912	1955	33867	4035	313
7N 1431 11	N	88	23259	11350	11909	2687	14596	4212	732
8N 2631 11	N	100	25608	8483	17125	2186	19311	4193	401
9N 2631 11	N	100	29442	7041	22401	2005	24406	4069	332
10E 2631 11	N	100	10788	10574	214	2209	2423	4209	410
11A 2431 11	N	100	24996	12725	12271	4161	16432	5545	1154
GRIEGOS FEDERAL									
11F 1331 12	N	98	21975	14355	7620	4949	12569	6030	1493
12M 1331 11	N	96	14020	9569	4451	3305	7756	4851	880
HAM TON FEDERAL									
4D 1330 11	N	100	19491		19491	2537	22028	4434	535
HARPER									
2D 1431 12	N	97	71158	17928	53230	5292	58522	6237	1647
NYE FEDERAL									
1O 1230 11	N	100	8695		8695	1543	10238	3753	156
OLIVER									
1A 2531 12	N	100	5110	1288	3822	2209	6031	4209	410
RICHARDSON FEDERAL									
6N 2231 12	N	93	105-	4994	5099 EX	1466	3633-	3512	169
7J 1531 12	N	97	130935	19789	111146	8486	119632	8423	2903
THOMPSON FEDERAL									
6O 2731 12	M	100	2714	2714		2776	2776	2776	86
7M 3431 12	N	100	12176	3108	9068	1687	10755	3852	211
8D 2831 12	N	100	10811	3994	6817	1635	8452	3816	191
CONSOLIDATED OIL AND GAS INCORPORATED									
CRIPPLEY FEDERAL									
1N 2632 13	M	100				1217	1217	1217	102
INTERNATIONAL OIL AND GAS CORPORATION .									
BRUINGTON									
1K 2930 11	N	100	29428	14536	14892	2624	17516	4493	568
ELLIOTT FEDERAL									
1N 2230 11	N	100	18746		18746	3356	22102	4994	847

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE			JULY		AUGUST	ACREAGE OR DELIVERABILITY
			BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	
1N 5 29 11	N	100	33756	17471	16285	3403	19688	5026	865
FOGELSON 2	FEE	DEE	RAL						
1J 2 29 11	N	95	52106	22430	29676	4854	34530	5884	1516
FOGELSON 4	FEE	DEE	RAL						
1P 4 29 11	N	96	41936	19545	22391	2411	24802	4239	525
FOGELSON 8	FEE	DEE	RAL						
1J 8 29 11	N	100	25940	15513	10427	4111	14538	5510	1135
FOGELSON 9	FEE	DEE	RAL						
1F 9 29 11	N	100	48850	20118	28732	2844	31576	4644	652
FOGELSON 10	FEE	DEE	RAL						
1E 10 29 11	N	100	41849	21159	20690	3085	23775	4809	744
FOGELSON 11	FEE	DEE	RAL						
1E 11 29 11	N	100	34259	22543	11716	6398	18114	7075	2007
2P 11 29 11	N	100	29580	21913	7667	4080	11747	5489	1123
FOGELSON 25	FEE	DEE	RAL						
1P 25 30 11	N	100	12481	2024	10457	3177	13634	4872	779
FOGELSON 26	FEE	DEE	RAL						
1P 26 30 11	N	100	23223	16017	7206	1997	9203	4064	329
FOGELSON 27	FEE	DEE	RAL						
1P 27 30 11	N	100	44335	33358	10977	4811	15788	5990	1402
FOGELSON 35	FEE	DEE	RAL						
1O 35 30 11	N	100	55004	24752	30252	4651	34903	5880	1341
HARTMAN									
1M 23 30 11	N	100	34976	18613	16363	3867	20230	5344	1042
MARTIN									
2O 34 30 11	N	100	45836	26981	18855	2925	21780	4699	683
D. A. MARTIN									
1E 32 29 11	N	91	73735	25010	48725	6092	54817	6623	2120
MISS STATE									
1D 36 30 11	N	100	15515		15515	3280	18795	4942	818
SOUTHERN UNION PRODUCTION COMPANY			.....			.....			
RAWSON									
1A 35 31 12	N	100	17399	5687	11712	2382	14094	4328	476
WRIGHT STATE									
1B 36 32 13	XM	100	161	161		442	442	442	28
TEXACO INC			....	.....	.....	.....			
FEDERAL STATE UNIT									
1O 32 30 11	N	100	2207	12080	9873 EX	2283	7590-	4260	438
PIPELINE TOTAL			1231428	486953	744475	135244	879719	197580	
POOL TOTAL			9711871	4310514	5401357	4075724	9477081	5199413	
DEVILS FORK GALLUP POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
BCO INCORPORATED			....	.....	.....	.....			
ZAMORA FEDERAL									
1C 29 24 6	N	200	82658		82658	17457	100115	17956	
EL PASO NATURAL GAS COMPANY				.....	.....	.....			
CANYON LARGO UNIT									
89M 17 24 6	N	150	65954		65954	13093	79047	13467	
106C 20 24 6	N	200	60844	19178	41666	17457	59123	17956	
SKELLY OIL COMPANY			....	.....	.....	.....			
MEXICO FEDERAL G									
1F 18 24 6	N	200	9263-	7989	17252 EX	17457	205	17956	
PIPELINE TOTAL			200193	27167	173026	65464	238490	67335	
SOUTHERN UNION GAS PIPELINE SYSTEM									
KILLARNEY OIL COMPANY			.....	.....	.....	.....			
KILLARNEY FEDERAL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1J2424 7	M	200	9380	9380		7677	7677	7677	
REDFERN DEVELOPMENT CORPORATION									
LARGO SPUR FEDERAL									
1J1824 6	N	200	22764	34499	11735 EX	17457	5722	17956	
2I1324 7	N	200	67198		67198	17457	84655	17956	
3A1924 6	N	200	82658	744	81914	17457	99371	17956	
VAL R. REESE AND ASSOCIATES INCORPORATED									
LYBROOK FEDERAL									
1C1924 6	N	200	13728		13728	17457	31185	17956	
PAUL F. RUTLEDGE									
MILLER A FEDERAL									
1A1324 7	N	200	1991-		1991 EX	17457	15466	17956	
PIPELINE TOTAL			193737	44623	149114	94962	244076	97457	
POOL TOTAL			393930	71790	322140	160426	482566	164792	
BLANCO MESA VERDE POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
ASPEN CRUDE PURCHASING COMPANY									
JOHNSTON SHEAR FEDERAL									
1H 326 3	N	98	10727	4907	5820	3619	9439	5638	796
AZTEC OIL AND GAS COMPANY									
HALE FEDERAL									
1A2731 8	N	100	3384	6447	3063 EX	1854	1209-	2889	251
2M2731 8	N	100	3112	3223	111 EX	5019	4908	7819	1189
3K3431 8	N	100	2661		2661	1034	3695	1612	8
4H3431 8	N	100	9572	3356	6216	2441	8657	3804	425
HELL FEDERAL									
1K 4298	N	101	5616	99	5517	2843	8360	4429	536
2G 4399	N	100	25159	17384	7775	6622	14397	10316	1645
3B1 9	N	100	12362	6742	5620	7476	13096	11646	1917
LOCKHART FEDERAL									
1C 1	N	97	6131	8737	2606 EX	2354	252-	3667	421
KOSTELECKY FEDERAL									
1G 7	N	100	23338	15682	7656	6524	14180	10163	1635
BLANCO COMPANY									
ZACHARY WELL NO. 1	NEW								
XOCHELL FEDERAL									
1B1 7	N	200	5538	6622	4376 0	12183	55943	18978	3312
ZACHARY WELL NO. 2	NEW								
ZOCHELL FEDERAL									
2A3 7	N	200	18492	9118	9374	5735	15109	8933	1401
ZACHARY WELL NO. 3	NEW								
ZOCHELL FEDERAL									
3A1 8	N	200	9184	6745	3100	3575	6675	5570	761
ZACHARY WELL NO. 4	NEW								
ZOCHELL FEDERAL									
4A1 8	N	200	17152	2767	14385	6352	20737	9895	1584
ZACHARY WELL NO. 5	NEW								
ZOCHELL FEDERAL									
5A1 7	N	200	4644	2050	15866 EX	1345	2419-	2095	100
ZACHARY WELL NO. 6	NEW								
ZOCHELL FEDERAL									
6A1 7	N	200	4915		4915	6600	11524	10029	1660
ZACHARY WELL NO. 7	NEW								
ZOCHELL FEDERAL									
7A1 7	N	200	11846	3449	4635 EX	2438	2197-	3798	442
ZACHARY WELL NO. 8	NEW								
ZOCHELL FEDERAL									
8A1 7	N	200	23322		23322	5495	28817	15600	1330
ZACHARY WELL NO. 9	NEW								
ZOCHELL FEDERAL									
9A1 7	N	200	36640		36640	6645	43285	20959	1491
ZACHARY WELL NO. 10	NEW								
ZOCHELL FEDERAL									
10A1 7	N	200	10658		10658	5947	16605	10029	1466
ZACHARY WELL NO. 11	NEW								
ZOCHELL FEDERAL									
11A1 7	N	200	4946		4946	8738	13684	13611	2291
ZACHARY WELL NO. 12	NEW								
ZOCHELL FEDERAL									
12A1 7	N	200	31966		31966	8366	40332	13303	1818
ZACHARY WELL NO. 13	NEW								
ZOCHELL FEDERAL									
13A1 7	N	200	7059		7059	8501	15560	13324	2218
ZACHARY WELL NO. 14	NEW								
ZOCHELL FEDERAL									
14A1 7	N	200	27909		27909	8622	36531	13384	2277
ZACHARY WELL NO. 15	NEW								
ZOCHELL FEDERAL									
15A1 7	N	200	23935		23935	8869	32804	13384	2277
ZACHARY WELL NO. 16	NEW								
ZOCHELL FEDERAL									
16A1 7	N	200	18402		18402	8869	27271	13384	2277
ZACHARY WELL NO. 17	NEW								
ZOCHELL FEDERAL									
17A1 7	N	200	31483		31483	8869	40352	13384	2277
ZACHARY WELL NO. 18	NEW								
ZOCHELL FEDERAL									
18A1 7	N	200	9761		9761	8869	18630	13384	2277
ZACHARY WELL NO. 19	NEW								
ZOCHELL FEDERAL									
19A1 7	N	200	22751		22751	8869	31620	13384	2277
ZACHARY WELL NO. 20	NEW								
ZOCHELL FEDERAL									
20A1 7	N	200	40094		40094	8869	48963	13384	2277
ZACHARY WELL NO. 21	NEW								
ZOCHELL FEDERAL									
21A1 7	N	200	26088		26088	8869	34957	13384	2277
ZACHARY WELL NO. 22	NEW								
ZOCHELL FEDERAL									
22A1 7	N	200	31488		31488	8869	40357	13384	2277

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
18H 930 7	N	100	1399	3295	1896 EX	4230	2334	6589	955
19B2030 7	N	100	1262	1231	31	2691	2722	4192	499
20B2831 7	N	100	1068	2787	1719 EX	1686	33-	2626	201
21N3631 7	N	100	287-	8520	8807 EX	1618	7189-	2521	181
22G3631 7	N	100	4140	4130	10	1729	1739	2695	214
23M 630 7	N	93	52983	4769	48214	13246	61460	20634	3923
24O1730 7	N	100	17148	24945	7797 EX	5448	2349-	8487	1316
25B1730 7	N	100	35040-	2713	37753 EX	6656	31097-	10368	1674
26N 830 7	N	100	5037-	3373	8410 EX	8137	273-	12676	2113
27A 830 7	N	100	13648	1772	11876	4122	15998	6421	923
28O3431 7	N	100	2749	12813	10064 EX	2111	7953-	3288	327
29A1330 8	N	100	21683	3308	18375	8900	27275	13864	2339
30A1230 8	N	100	21553	2489	19064	8704	27768	13559	2281
31M 730 7	N	93	30269	9119	21150	8272	29422	12886	2338
32A 730 7	N	100	9298	5573	3725	5859	9584	9128	1438
33N1231 7	N	100	538	2689	2151 EX	1436	715-	2237	127
34M1930 7	N	96	3922-		3922 EX	3369	553-	5249	742
35J1930 7	N	100	10766	6160	4606	3798	8404	5916	827
36A 130 8	N	100	19300	5978	13322	18823	32145	29322	5280
37B 630 7	N	100	38402	4810	33592	9892	43484	15409	2633
38B3131 7	N	100	7834	3199	4635	4044	8679	6300	900
39K3631 8	N	100	35256	3447	31809	8259	40068	12865	2149
40G3631 8	N	100	24926	3699	21227	5191	26418	8087	1240
41B2531 8	N	100	7684	4533	3151	4105	7256	6395	918
42M1931 7	M	81	837	837		2676	2676	2676	81
43M1131 7	N	100	7155	3113	4042	2293	6335	3572	381
44B 430 7	N	100	4278	20645	16367 EX	4631	11736-	7215	1074
45A 530 7	N	100	13943	9304	4639	8876	13515	13827	2332
46N3331 7	N	100	3899		3899	3754	7653	5848	814
47K3231 7	N	100	4081		4081	3784	7865	5895	823
48H3231 7	N	100	4779		4779	3869	8648	6027	848
49H3031 7	N	100	2117-	4072	6189 EX	1341	4848-	2090	99
50M2531 8	N	100	370	3227	2857 EX	3521	664	5485	745
51N2931 7	N	100	6156	9567	3411 EX	4132	721	6437	926
52G1531 7	N	100	671-	1044	1715 EX	2286	571	3562	379
53M2831 7	N	100	5521	3597	1924	2165	4089	3373	343
54H3331 7	N	100	4482	7062	2580 EX	3872	1292	6032	849
55B2231 7	N	100	6682	4135	2547	1932	4479	3010	274
56A3431 7	N	100	602-	1863	2465 EX	1986	479-	3094	290
57B2131 7	M	100	2612	2612		2550	2550	2550	192
58A1331 7	N	100	7726	7034	692	2425	3117	3777	420
59A2431 7	N	100	7173	3413	3760	2141	5901	3336	336
60A 731 6	N	100	5187-		5187 EX	1105	4082-	1722	29
61G1931 6	N	100	3547	4273	726 EX	2090	1364	3257	321
62L3031 6	N	100	4606	5390	784 EX	2900	2116	4518	561
D. H. BOLIN			....	....	....	.....			
WM. B. HARDIE FEDERAL									
1B3029 8	N	100	3925	261	3664	2428	6092	3782	421
WM. B. HARDIE A FEDERAL									
1M3429 8	N	100	2743-	1795	4538 EX	2165	2373-	3373	343
W. P. CARR			....	....	....	.....			
STATE									
1H1630 7	N	100	26861	4322	22539	6659	29198	10374	1675
HAMPTON FEDERAL									
3B103011	N	100	7701	4689	3012	2188	5200	3409	350
HEATON POOL UNIT FEDERAL									
1L333111	N	100	11942	8475	3467	3376	6843	5259	702
LARCHER FEDERAL									
1K 73110	N	100	11707	10095	1612	4601	6213	7167	1065
CONSOLIDATED OIL AND GAS INCORPORATED						....			
ALBERDING									
1A 33113	N	100	6458	3863	2595	1675	4270	2610	198
CHAVEZ FEDERAL									
1A 23113	N	100	14114	2588	11526	1885	13411	2936	260

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
FREEMAN FED DEN RAL									
1 H 13 11 3 DEN		100	4021	4738	717 EX	2694	1977	4198	500
HANCOCK FED DER AL									
1 A 13 11 3 DEN		100	1339	8490	7151 EX	2472	4679-	3851	434
JAQUEZ STATE									
1 K 23 11 3 DEN		100	2342	2512	170 EX	1459	1289	2274	134
MONTOYA									
1 H 35 32 13 DEN		100	201-	10833	11034 EX	2640	8394-	4114	484
OWEN FED DER AL									
1 M 7 31 12 DEN		100	9743	9743		4856	4856	4856	313
PAN AMERICA STATE									
1 N 36 32 13 DEN		100	18339	14828	3511	4540	8051	7073	1047
TAFOYA FED DEN AL									
1 N 35 32 13 DEN		103	4756	6822	2066 EX	1871	195-	2915	240
TRIBAL C J ICA RILLA CONTRACT 97									
2 F 6 26 3 DEN		100	4156-	125	4281 EX	4557	276	7099	1052
3 A 6 26 3 DEN		100	467-	87	554 EX	5360	4806	8350	1290
5 M 5 26 3 DEN		100	19997-	46	20043 EX	3109	16934-	4844	623
9 A 7 26 3 DEN		100	2078	41	2037	2364	4401	3683	402
11 K 8 26 3				17616	17616 EX		17616-		
DELHI TAYLOR OIL CORPORATION									
DELHI FLORANCE 2 FEDERAL									
21 L 1 29 9 DEN		104	12083	6513	5570	7789	13359	12134	1921
FLORANCE FED ERAL									
22 H 1 29 9 DEN		100	640	2170	1530 EX	1557	27	2426	163
EL PASO NATURAL GAS COMPANY									
ALLEN STATE									
1 A 16 31 9 DEN		100	8251	12061	3810 EX	3454	356-	5380	725
ALLISON UNIT									
1 A 16 31 9 DEN	X	100		14577	5006 EX	1318	8188	2053	92
1 A 16 31 9 DEN		100	9557	5066		1318	8188	2053	92
1 A 16 31 9 DEN		100	24007	10166		1318	8188	2053	92
1 A 16 31 9 DEN		100	30887	2170		1318	8188	2053	92
1 A 16 31 9 DEN		100	17554	9433		1318	8188	2053	92
1 A 16 31 9 DEN		100	31422	18899		1318	8188	2053	92
1 A 16 31 9 DEN		100	36307	22015		1318	8188	2053	92
1 A 16 31 9 DEN		100	14550	22367	7817 EX	1318	8188	2053	92
1 A 16 31 9 DEN		100	22220	8605		1318	8188	2053	92
1 A 16 31 9 DEN		100	15590	9015		1318	8188	2053	92
1 A 16 31 9 DEN		100	22207	7405		1318	8188	2053	92
1 A 16 31 9 DEN		100	12055	9205		1318	8188	2053	92
ATLANTIC FED ERAL									
1 A 16 31 9 DEN		100	28341	26474	1867	6774	8641	10552	1709
1 A 16 31 9 DEN		100	4	10128	10088 EX	5542	4454	8455	1310
1 A 16 31 9 DEN		100	27716	28308	5592 EX	5556	4971	8655	1350
1 A 16 31 9 DEN		100	21888		2279 EX	4467	3551	3577	
1 A 16 31 9 DEN	X	100	138744-		13874 EX	6602	7212-	10284	1655
1 A 16 31 9 DEN		100	25505-		2555 EX	3157	4812-	4918	637
1 A 16 31 9 DEN		100	13816-	273	14089 EX	8562	7527-	13338	2339
1 A 16 31 9 DEN		100	17459-	150	17609 EX	3207	14402-	4997	652
ATLANTIC FED ERAL									
1 A 16 31 9 DEN		100	5169	1505	9889 EX	1574	5855	2453	168
1 A 16 31 9 DEN		100	49499	26767	2273	2208	4360	3232	320
1 A 16 31 9 DEN		100	127733	18123	55350 EX	3406	19444-	5530	711
1 A 16 31 9 DEN		100	54211-		54211 EX	2168	32543-	3378	344
1 A 16 31 9 DEN		100	173377	16516	8221	4145	4961	6455	933
1 A 16 31 9 DEN		100	38477		38477 EX	3329	7176	5184	883
1 A 16 31 9 DEN	X	100	54022-		38122 EX	2045	9204-	5948	833
1 A 16 31 9 DEN		100	97676-		97676 EX	10874	11074	16938	2924
ATLANTIC FED ERAL									
1 A 16 31 9 DEN		100	22780	22251	5291	5333	5862	8302	1282
1 A 16 31 9 DEN		100	6699	10744	4045 EX	1463	10558	2279	135
1 A 16 31 9 DEN		100	42377-		42377 EX	11115	31222-	17338	32

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
4K 53010	N	100	4456	1948	2508	1399	3907	2179	116
5B 53010	N	100	7140	6981	159	2256	2415	3514	370
6M3 33110	N	100	5106-		5106 EX	2775	2331-	4324	524
7A3 43110	N	100	8891	5926	2965	3778	6743	5885	821
8M 33010	N	100	1487-		1487 EX	2232	745	3478	363
9L3 43110	N	100	10689	13822	3133 EX	3285	152	5118	675
ATLANTIC C FEDERAL									
1L3 53110	N	100	2620		2620	3049	5669	4750	605
2B3 53110	N	100	9057	7589	1468	3039	4507	4734	602
3H3 13110	N	100	4443-		4443 EX	2489	1954-	3877	439
4N3 13110	N	98	1750		1750	2023	3773	3152	313
5G 63010	N	100	834	2093	1259 EX	1824	565	2842	242
6L 63010	N	98	1663	2238	575 EX	1318	743	2053	100
ATLANTIC STATE									
1L3 63110	N	100	3855		3855	3329	7184	5186	688
2H3 63110	N	100	11066	398	10668	5009	15677	7803	1186
3A1 63010	XM	100	771	771		729	729	729	36
4G 23010	N	100	24536-	2488	27024 EX	5249	21775-	8177	1257
5K 23010	N	100	14246-		14246 EX	6059	8187-	9438	1497
AZTEC 32 10 FEDERAL									
2M 83210	TN	107	1243	1077	166	1000	1166	1000	62
AZTEC A FEDERAL									
1M2 23111	N	100	2108	5476	3368 EX	3521	153	5485	745
AZTEC A 32 10 FEDERAL									
1A1 73210	TN	100	1022	1270	248 EX	1000	752	1000	131
BARNES FEDERAL									
1F2 43211	N	100	698	2347	1649 EX	1783	134	2779	230
2L2 23211	N	100	3287	7485	4198 EX	2006	2192-	3125	296
3H2 73211	N	100	11460	9845	1615	4230	5845	6589	955
4A2 63211	N	100	6717	6612	105	2806	2911	4371	533
6A2 33211	N	100	58961-		58961 EX	7007	51954-	10915	1778
7K2 33211	BN	100	32047-		32047 EX	4051	27996-	6311	902
8K2 63211	N	100	5172		5172	3956	9128	6163	874
9M1 33211	N	100	2335		2335	2219	4554	3457	359
BARRETT FEDERAL									
1L1 931 9	N	98	18641	23055	4414 EX	4520	106	7041	1068
2B1 931 9	BN	100	1677		1677	5697	7374	8876	1390
3K2 031 9	IN	100	11331	6294	5037	3916	8953	6100	862
4A2 031 9	IN	100	457-		457 EX	1780	1323	2773	229
BEAVER LODGE STATE									
1L3 230 8	N	100	4807	5720	913 EX	2478	1565	3861	436
BLANCO DEVELOPMENT 30 8 STATE									
1B3 630 8	NC	100	32075-		32075 EX	6352	25723-	9895	1584
BLANCO GAS UNIT FEDERAL									
1A3 628 8	N	100	7353	2711	4642	1564	6206	2437	165
3G 127 8	XM	100	639	639		807	807	807	83
4K3 628 8	NC	98	8016-	656	8672 EX	1547	7125-	2411	169
BOLACK B FEDERAL									
1G3 328 8	N	100	48-	411	459 EX	1578	1119	2458	169
3N3 328 8	N	92	624-		624 EX	3849	3225	5996	941
4N1 227 8	M	100	1879	1879		1909	1909	1909	196
BOLACK C FEDERAL									
9H3 127 8	N	100	5798		5798	2813	8611	4382	535
10A2 827 8	N	100	708-	753	1461 EX	1972	511	3073	286
11K2 827 8	N	100	8271	2258	6013	1692	7705	2637	203
12A2 927 8	N	100	3024	715	2309	2178	4487	3394	347
13M2 927 8	N	100	8080	2986	5094	1702	6796	2652	206
14B3 027 8	N	100	3219	3492	273 EX	1854	1581	2889	251
15L3 327 8	N	100	5832	450	5382	1713	7095	2668	209
16A3 327 8	M	100	1973	1973		2398	2398	2398	199
BONDS POOL UNIT									
1M1 53210	N	100	10231	8893	1338	3970	5308	6185	878
BROOKHAVEN STATE									
1N1 63110	N	100	7587-	12736	20323 EX	3845	16478-	5990	841
2B1 63110	N	100	9366-		9366 EX	2671	6695-	4161	493
3A1 63111	N	100	1800	4612	2812 EX	1392	1420-	2169	114
7A 227 8	XM	100	630	630		969	969	969	81

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
BROWN FEDE	RAL								
1M 93210	M	107	328	328		2393	2393	2393	461
BRUINGTON	POOL		UNIT FEDERAL						
3I 63011	N	100	395	1671	1276 EX	1271	5-	1980	78
BURROUGHS	STATE								
2G 63210	N	100	11351	8739	2612	4122	6734	6421	923
CALLOWAY	POOL		UNIT						
1B 27311	N	100	16877-	154	17031 EX	3049	13982-	4750	605
23 43111	N	100	9929	2480	7449	2020	9469	3147	300
CASE FEDERAL									
1 5 31111	N	100	752-	4073	4825 EX	1982	2843-	3089	289
2 8 31111	N	100	6323	3914	2409	2408	4817	3751	415
3 7 31111	N	100	7976	2044	5932	1459	7391	2274	134
4 1 8 31111	M	100	1206	1206		1998	1998	1998	51
6A 53111	N	100	2923	3716	793 EX	1746	953	2721	219
CASE FEDERAL									
7A 19311	N	100	986	70	916	2630	3546	4098	481
COX CANYON	UNIT								
1 6 33211	N	100	19769	21702	1933 EX	3936	2003	6132	868
3 9 33211	N	100	19688	10691	8997	7050	16047	10983	1691
4 5 21133	N	100	25580	34673	9093 EX	7611	1482-	11856	1957
5 6 11133	N	100	7224		7224	3913	4637	6095	861
6 7 32211	N	100	37255	14527	22732	101108	32840	15745	2697
7 1 8 33211	N	100	18613	23082	4469 EX	4074	3957-	6347	909
8 9 02311	N	100	9023		9023	5110	14133	7961	1186
9A 20311	N	100	1062		1062	5137	6199	8003	1224
CUNNINGHAM FEDERAL									
XO 1A 19321	N	100	1426	1396	30	1000	1030	1000	81
CUNNINGHAM FEDERAL									
2 17321	XM		94	608		770	770	770	150
CUNNINGHAM FEDERAL									
3A 22278	N	100	16828	12267	4561	3420	7981	5328	715
4U 22278	N	100	7297	3559	3738	1611	5349	2511	179
DAVIS FEDERAL									
3 22289	N	103	6332	4466	1866	1797	3663	2799	218
4 22289	N	104	5081		5081	2478	7559	3861	408
DAWSON FEDERAL									
1 30318	N	102	2905		2905	6258	9163	9748	1520
B. FEDERAL									
1 72298	N	100	3265	2131	1134	2212	3346	3446	357
3K 22298	N	100	6958	3223	3735	3130	6865	4876	629
1 8 22298	N	100	9972	15364	5392 EX	3851	1541-	6000	749
B. AFEDERAL									
1 72298	N	100	3202	4160	958 EX	1875	917	2921	257
2 72298	N	100	18614		18614	111110	29724	17306	2994
3B 22298	N	100	6965	7695	730 EX	3794	3064	5911	826
4M 22298	N	100	4497	2944	1553	2894	4447	4508	559
5A 18 22298	N	100	5217	3435	1782	3231	5013	5033	659
DAY FEDERAL	RAL								
2 72278	N	100	8592	9493	901 EX	4419	3518	6884	1011
5A 72278	N	100	6281	5230	1051	2637	3688	4108	483
DECKER FEDERAL	UNIT								
1C 21076	N	100	2976	4451	1475 EX	3447	1972	5370	723
DEFENBAUGH									
1 63088	N	100	29-		29 EX	3103	3074	4834	621
DEFENBAUGH FEDERAL									
1 38099	N	95	3356-		3356 EX	5060	1704	7883	1280
DRY FEDERAL									
1 88	N	100	1061	559	502	1321	1823	2059	93
3 22887	N	100	11222	12545	1323 EX	4328	3005	6742	984
4 22887	N	100	782	782		1428	1428	1428	114
ERE FEDERAL	RAL								
1 22301	XM	100				2464	2464	2464	220
EPNG STATE									
1 33300	N	100	19616	7136	12480	5751	18231	8960	1406
2 22331	N	100	2473-		2473 EX	3987	1514	6211	883
3K 22331	N	100	32648	23592	9056	7526	16582	11724	1932

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
4N163210	N	100	103	3649	3546EX	3498	48-	5449	738
5K3630 8	N	100	5968-	477	6445EX	5191	1254-	8087	1240
ELLIOTT A FEDERAL									
1K193111	N	100	1718	2806	1088EX	1412	324	2200	120
FEUILLE FEDERAL									
1H1329 9	N	95	7659-		7659EX	3670	3989-	5717	846
FIELDS FEDERAL									
1A253211	BN	100	25288		25288	1601	26889	2495	176
2N253211	IN	100	2192		2192	2273	4465	3541	375
3G293211	BN	100	81977		81977	2485	84462	3872	438
4G283211	IN	100	95546-		X095546EX	5384	90162-	8387	1297
5L283211	IN	100	145240-		X145240EX	5070	140170-	7898	1204
7G343211	N	100	17908	16488	1420	6700	8120	10437	1687
FILAN FEDERAL									
4H 527 8	N	100	11181	15120	3939EX	3599	340-	5606	768
5M 527 8	N	100	2809-	3488	6297EX	2040	4257-	3178	306
FLORANCE FEDERAL									
1A243010	N	100	9582	4755	4827	1993	6820	3104	292
2M2130 9	N	100	17677-		17677EX	9146	8531-	14247	2412
FLORANCE A FEDERAL									
1H253010	N	100	4071-		4071EX	6436	2365	10027	1609
FLORANCE B FEDERAL									
1N2030 9	N	100	9497-	10876	20373EX	5276	15097-	8219	1265
FLORANCE C FEDERAL									
1A1928 8	N	98	810	2386	1576EX	1389	187-	2164	121
2K2028 8	XM	100	510	510		714	714	714	19
3K1928 8	N	98	3445		3445	2084	5529	3247	332
4K2928 8	N	100	1354	4440	3086EX	2209	877-	3441	356
5H3028 8	N	100	6716	3565	3151	3170	6321	4939	641
6L3028 8	N	96	6359	15457	9098EX	3623	5475-	5643	820
FLORANCE D FEDERAL									
4G2027 8	N	100	1006	4853	3847EX	1618	2229-	2521	181
9M1727 8	N	100	3442		3442	2853	6295	4445	547
10B1727 8	N	100	2332-	3302	5634EX	3545	2089-	5522	752
11G1827 8	N	100	6314	4083	2231	3616	5847	5633	773
12B1927 8	N	100	14514	15043	529EX	4172	3643	6500	938
13K2027 8	N	100	4393	3804	589	2040	2629	3178	306
14K2127 8	N	100	8694	1589	7105	2728	9833	4250	510
FLORANCE E FEDERAL									
1L 12910	M	100	1444	1444		1858	1858	1858	44
FLORANCE F FEDERAL									
1M253010	N	100	433	1967	1534EX	1723	189	2684	212
FLORANCE POOL UNIT FEDERAL									
1K1827 8	N	100	11480	11025	455	4321	4776	6731	982
GARTNER FEDERAL									
1N2830 8	IN	100	27955-		27955EX	7611	20344-	11856	1957
2G2830 8	BN	100	5920-		5920EX	7476	1556	11646	1917
3N3330 8	IN	100	90246-		X090246EX	8468	81778-	13191	2211
4H3330 8	N	100	7557-		7557EX	7715	158	12019	1988
5M2730 8	IN	100	67153-		X067153EX	5822	61331-	9070	1427
6A2730 8	N	100	23653	28053	4400EX	6474	2074	10084	1620
7N2630 8	N	100	7610		7610	3670	11280	5717	789
8A2630 8	IN	100	20755	16299	4456	11629	16085	18116	3148
GRAMBLING FEDERAL									
1H2829 9	IN	100	4040		4040	2300	6340	3583	383
2G2729 9	IN	100	6774		6774	7256	14030	11304	1852
3N2229 9	BN	97	26223		26223	3089	29312	4813	645
GRAMBLING A FEDERAL									
1H2128 8	N	100	513	961	448EX	1743	1295	2716	218
2M2228 8	N	100	4305	4536	231EX	1922	1691	2994	271
3G2828 8	N	100	2571		2571	2627	5198	4093	480
GRAMBLING C FEDERAL									
1G143010	N	100	5229-		5229EX	3025	2204-	4713	598
2N143010	N	100	1238-		1238EX	1777	539	2768	228
3H123010	N	100	13621-		13621EX	1810	11811-	2821	238
4L123010	N	100	18091-		18091EX	4287	13804-	6679	972
HANCOCK FEDERAL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
2 9 2 8 9	N	1 0 0	17739	3341	14398	2357	16755	3672	400
3 2 2 8 9	N	1 0 0	6011	2165	3846	1429	5275	2227	125
4 3 2 8 9	N	1 0 0	3368		3368	4486	7854	6989	1031
5 2 7 2 8 9	N	1 0 0	4855	5340	485 EX	1868	1383	2910	255
HANCOCK A	FEDERAL								
1 3 5 2 8 9	XM	1 0 0				812	812	812	
2 G 2 6 2 8 9	N	1 0 0	1336	3891	2555 EX	1783	772 –	2779	230
HANCOCK B	FEDERAL								
1 2 8 2 8 9	N	1 0 0	2408	3303	895 EX	1412	517	2200	120
HARDIE FED	E	A							
1 B 2 6 2 9 8	N	1 0 0	3317	3800	483 EX	1635	1152	2547	186
2 2 5 2 2 9 8	N	1 0 0	4119	3080	1039	1581	2620	2463	170
3 A 2 2 5 2 2 9 8	N	1 0 0	3344	3156	188	1594	1782	2484	174
4 2 2 3 2 2 9 8	N	1 0 0	6071	7144	1073 EX	2883	1810	4492	556
5 N 2 2 3 2 2 9 8	N	1 0 0	3243	7073	3830 EX	1935	1895 –	3015	275
HARDIE A	FEDERAL								
1 2 6 2 2 9 8	N	1 0 0	5348	4289	1059	2175	3234	3388	346
2 4 2 2 9 8	N	1 0 0	1561	1517	44	2053	2097	3199	310
HARDIE B	FEDERAL								
1 2 8 2 9 8	N	1 0 0	288		288	1810	2098	2821	238
HARDIE D	FEDERAL								
1 M 1 2 2 8 8	N	9 2	3460	3946	486 EX	1612	1126	2511	221
2 K 1 4 2 8 8	N	1 0 0	5026		5026	4203	9229	6547	947
HARDIE E	FEDERAL								
1 B 1 6 2 8 8	N	1 0 0	8257	9925	1668 EX	3082	1414	4802	615
2 N 9 2 8 8		9 3	3775 –		3775 EX	5472	1697	8524	1445
3 B 2 3 2 8 8	N	1 0 0	26543	25082	1461	7344	8805	11441	1878
HEATH FED	E	A							
1 A 2 8 3 1 1 1	N	1 0 0	5930	6296	366 EX	2317	1951	3609	388
2 K 0 3 3 1 1 1	N	1 0 0	4373	3384	989	1618	2607	2521	181
3 M 2 2 3 1 1 1	M	1 0 0	1266	1266		1956	1956	1956	92
4 H 9 3 1 1 1	N	1 0 0	19973	6490	13483	4463	17946	6952	1024
5 M 2 2 3 1 1 1	N	1 0 0	5115	8943	3790 EX	4034	2444	6284	897
6 B M 3 3 1 1 1	N	1 0 0	14310 –		14310 EX	1540	12770 –	2400	158
7 B B 2 2 3 1 1 1	N	1 0 0	3680	5014	1334 EX	2887	1553	4499	557
8 B B 3 1 1 1	N	1 0 0	3698	4022	3244 EX	1959	1635	3052	282
9 B B 3 1 1 1	N	1 0 0	7061 –	3199	3905 EX	1804	2101 –	2810	236
N I E 1 2 2	C	1 0 0							
1 B 2 2 5 2	N	1 0 0	891	1897	1006 EX	1692	686	2637	203
HOTT A	FEDERAL								
1 W 2 2 5 5	N	1 0 0	341	4466	4125 EX	3180	945 –	4955	644
HOTT B	FEDERAL								
1 B 2 2 8 8	N	1 0 0	2466	2449	17	1534	1551	2390	156
2 B 2 2 8 8	N	1 0 0	2097	1996	101	1385	1486	2158	112
3 N 2 2 8 8	N	9 4 0	3518	1881	1637	1213	2850	1891	84
4 W 2 2 7 8 8	N	1 0 0	3704	2111	1593	1368	2961	2132	107
HOTT C	FEDERAL								
1 W 2 2 8 8	N	1 0 0	13693	3245	10448	5748	16196	8954	1405
2 W 3 2 2 8 8	N	1 0 0	2383	3659	1276 EX	1868	592	2910	255
HOTT C	FEDERAL								
1 W 3 2 2 8 8	N	1 0 0	3017		3017	2748	5765	4282	516
HOTT D	FEDERAL								
1 B B 2 2 8 8	N	1 0 0	11005	5172	5833	4085	9918	6363	912
2 B B 3 2 2 8 8	N	1 0 0	9907	6001	3906	4749	8655	7399	1109
3 B B 3 2 2 8 8	N	1 0 0	3513	4211	698 EX	2337	1639	3641	394
4 W 1 8 3 2 2 8 8	N	1 0 0	9938	13112	3174 EX	4483	1309	6983	967
HOTT D	FEDERAL								
1 B 2 2 8 8	N	1 0 0	19069	19796	727 EX	8788	8061	13690	2306
2 M 2 2 8 8	N	1 0 0	11458		11458	8707	20165	13564	2282
3 G 2 2 8 8	N	1 0 0	24992 –		24992 EX	12473	12519 –	19430	3398
4 G 3 2 2 8 8	N	1 0 0	4564		4564	7000	11564	10904	1776
HOTT E	FEDERAL								
1 M 2 2 3 3 0	N	1 0 0	6543	8770	2227 EX	3589	1362	5591	765
2 A 1 4 3 3 0	N	1 0 0	18268		18268	12405	30673	19325	3378
HOTT F	FEDERAL								
1 M 1 2 7 8	XM	1 0 0	127	127		174	174	174	2
HOTT G	FEDERAL								
M 6 3 0 8	N	1 0 3	4486 –		4486 EX	12878	8392	20060	3407

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
HOWELL FEDERAL									
4 33 08	DE	0.0	12442		12442	8306	20748	12939	2163
HOWELL FEDERAL									
3A 13 08	NEW	0.0	7337	5602	1735	6133	7868	9554	1519
HOWELL FEDERAL									
1 13 08	DEAD	0.0	1883	2939	1056 EX	2246	1190	3499	367
2 33 08	NEW	0.0	3749	1567	2182	2381	4563	3709	407
3 33 08	NEW	0.0	3044-		3044 EX	6150	3106	9580	1561
4 33 08	NEW	0.0	8084		8084	5991	14075	9333	1477
HOWELL FEDERAL									
1 33 08	NEW	0.0	4698-		4698 EX	5289	591	8240	1269
2 33 08	NEW	0.0	351000	10600	245000	134688	379688	209800	3693
3 33 08	NEW	0.0	113374	4337	70037	40688	111105	63337	907
4 33 08	NEW	0.0	193352	11504	78848	58900	137738	91775	1447
HOWELL FEDERAL									
1 33 08	DEAD	0.5	3109	133	2976	2519	5495	3924	412
HU BBAAMAY FEDERAL									
1 33 21	DRL	0.0	3760	5097	1337 EX	1993	656	3104	292
2E 33 21	NEW	0.0	200016	21795	17779 EX	33353	15574	52223	726
HU DSNIMT FEDERAL									
1G 33 11	DRL	0.0	7208-	1120	8328 EX	4159	4169-	6479	934
HU GHEAGLE FEDERAL									
1 33 99	DRL	0.0	7523		7523	2923	10446	4554	496
2 33 99	NEW	0.0	5569	2026	14579 EX	15994	1377	24884	174
3B 33 99	NEW	0.0	195699-		195699 EX	35535	16034-	55006	749
4 33 99	NEW	0.0	38550-		38550 EX	29044	9466-	45524	562
5 33 99	NEW	0.0	24991-	2687	29367 EX	17994	11422-	27944	233
6 33 99	NEW	0.0	30188	3755	7737 EX	17999	12422	30088	288
7 33 99	NEW	0.0	44700	4340	1300	17566	18866	27337	222
8 33 99	NEW	0.0	47599	7589	28306 EX	19966	8346-	31110	293
9 33 99	NEW	0.0	23188	3577	12559 EX	17500	4941	27226	220
10 33 99	NEW	0.0	128400-	19452	32292 EX		32292-		
HU GHEAGLE FEDERAL									
1 33 99	DRL	0.0	7191		7191	3700	10891	5764	798
2 33 99	NEW	0.0	120433	5316	67727	40377	107764	62905	898
3 33 99	NEW	0.0	80333		80333	40447	120780	63055	901
4 33 99	NEW	0.0	58816	582	52334	32588	84922	50755	667
5 33 99	NEW	0.0	50966	6950	18544 EX	31774	13220	49444	642
6 33 99	NEW	0.0	18066	3467	16161 EX	19599	2988	30522	282
HI NIT FEDERAL									
O 33 02	DRL	0.0	16617	13456	3161	5755	8916	8965	1407
I NINNAH FEDERAL UNIT CONTRACT 84	INJ	0.0			209	1020	1020	1020	
I NINNAH FEDERAL UNIT CONTRACT 60	INJ	0.0	5163	2230	2933	11592	4092	18066	45
I NINNAH FEDERAL UNIT CANTRACT 60	INJ	0.0	2057	1057	1000	1294	2294	2016	85
I NINNAH FEDERAL UNIT CONTRACT 83	INJ	0.0	560		560	1475	1475	1475	25
I NINNAH FEDERAL UNIT CONTRACT 90	INJ	0.0	535		535	588	588	588	
LA O 09 IT FEDERAL			2943-		543	3486 EX	4712	1226	7341 1098
LI N 33 02	DRL	0.0	68838-		446	X069284 EX	6838	62446-	10652 1728
LI C 33 02	ACT		92						
LO T 33 02	NEW	0.0	10890	2324	8566	1955	10521	3047	281
LO E 33 02	DRL	0.0	1384		1384	1822	1822	1822	96
X O 33 02	NEW	0.0	81-	855	2494	25756 EX	11096-	14666-	1728 888
O 33 02	NEW	0.0	4159	844	4805	646 EX	14577	811	2270 216
O 33 02	NEW	0.0	803		803	945	945	945	28
LO E 33 02	DRL	0.0	4337		4337	4894	9231	7625	1152
LO T 33 02	NEW	0.0	7603	1939	5664	1480	7144	2306	140
LO T 33 02	NEW	0.0	17510	30198	12688 EX	6413	6275-	9990	1602

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
			JUNE			JULY			
						1972	4515	3073	286
						14137	1493	22016	1556
						1482	1426	2467	1622
						1252	1099	2793	1355
						1208	1056	4367	1134
						653	1117	1610	1301
						6143	1788	9569	1522
						6663	1728	1033	1167
						1399	698	2179	116
						3945	2681	6137	869
						3627	2814	9748	1552
						2755	1555	4324	526
						1915	139	2984	49
						1713	5101	2668	209
						3265	1291	5086	669
						1227	1802	1911	65
						1187	220	2807	2487
						1196	2	3038	287
						2313	4129	3604	3887
						1998	5944	3089	3295
						2573	5346	4009	504
						658	658	658	24
						1493	2654	2327	144
						2067	2617	3220	314
						7617	3236	1186	1959
						7486	7908	1166	1920
						7288	2095	1135	1866
						2996	3805	1463	1905
						2566	2256	2560	1121
						2256	2256	2206	1096
						1163	1356	2217	1141
						1178	1322	1276	1143
						1130	1130	3603	388
						1547	9	1104	160
						1732	3231	1092	1844
						7328	7328	1932	1921
						6227	6710	9701	1547
						2188	1903	3409	3502
						1858	14	2894	352
						632	632	632	21
						2016	1901	3141	299
J E K M A L FEDERAL 1	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 2	Z D E R	0 1 2 3 4 5 6 7 8 9	8611	2661	3142	1650	2543	3073	286
J E K M A L FEDERAL 3	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	1133	2665	922	4411	2201	1556
J E K M A L FEDERAL 4	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	1668	6694	1691	1622	6674	1622
J E K M A L FEDERAL 5	Z D E R	0 1 2 3 4 5 6 7 8 9	8		1155	1	2402	1067	1134
J E K M A L FEDERAL 6	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 7	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	1854	1855	1854	6274	9708	1530
J E K M A L FEDERAL 8	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	1755	7967	1736	3556	6137	869
J E K M A L FEDERAL 9	Z D E R	0 1 2 3 4 5 6 7 8 9	8	1	1388	1	1280	9748	1552
J E K M A L FEDERAL 10	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 11	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	2160	3388	2160	5548	2668	209
J E K M A L FEDERAL 12	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	128	1974	1128	1846	5086	669
J E K M A L FEDERAL 13	Z D E R	0 1 2 3 4 5 6 7 8 9	8	2439	1409	2439	1303	1911	65
J E K M A L FEDERAL 14	Z D E R	0 1 2 3 4 5 6 7 8 9	2543	2568	4111	2568	1816	2807	2487
J E K M A L FEDERAL 15	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	1433	1814	1433	3373	3604	3887
J E K M A L FEDERAL 16	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	4477	2773	4477	4479	3089	3295
J E K M A L FEDERAL 17	Z D E R	0 1 2 3 4 5 6 7 8 9	8					4009	504
J E K M A L FEDERAL 18	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 19	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	3131	1161	3131	4292	6658	144
J E K M A L FEDERAL 20	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	661	550	661	6166	2327	144
J E K M A L FEDERAL 21	Z D E R	0 1 2 3 4 5 6 7 8 9	8		2474		2474	3220	314
J E K M A L FEDERAL 22	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 23	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	2232	422	2232	2654	1186	1959
J E K M A L FEDERAL 24	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	1641	2437	1641	2877	1166	1920
J E K M A L FEDERAL 25	Z D E R	0 1 2 3 4 5 6 7 8 9	8		2862		2862	1135	1866
J E K M A L FEDERAL 26	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 27	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	8202	3858	8202	1024	2256	1121
J E K M A L FEDERAL 28	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	1866	1988	1866	1162	2206	1096
J E K M A L FEDERAL 29	Z D E R	0 1 2 3 4 5 6 7 8 9	8	1128	1440	1128	1156	2217	1141
J E K M A L FEDERAL 30	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 31	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	3282	1538	3282	1024	2276	1143
J E K M A L FEDERAL 32	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	1102	1024	1102	1745	3603	388
J E K M A L FEDERAL 33	Z D E R	0 1 2 3 4 5 6 7 8 9	8		1024		1024	1104	160
J E K M A L FEDERAL 34	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 35	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	1480	1293	1480	1145	1092	1844
J E K M A L FEDERAL 36	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	5482	4022	5482	1391	1932	1921
J E K M A L FEDERAL 37	Z D E R	0 1 2 3 4 5 6 7 8 9	8	2334	422	2334	1378	1932	1547
J E K M A L FEDERAL 38	Z D E R	0 1 2 3 4 5 6 7 8 9	2543		2543				
J E K M A L FEDERAL 39	Z D E R	0 1 2 3 4 5 6 7 8 9	2744	7336	2206	7336	7360	6632	21
J E K M A L FEDERAL 40	Z D E R	0 1 2 3 4 5 6 7 8 9	1102	2825	2206	2825	6190	3141	299

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1 7696394 0		0000000	0000000	0000000		0000000	0000000	0000000	
2 7696395 0		0000000	0000000	0000000		0000000	0000000	0000000	
3 7696396 0		0000000	0000000	0000000		0000000	0000000	0000000	
4 7696397 0		0000000	0000000	0000000		0000000	0000000	0000000	
5 7696398 0		0000000	0000000	0000000		0000000	0000000	0000000	
6 7696399 0		0000000	0000000	0000000		0000000	0000000	0000000	
7 7696400 0		0000000	0000000	0000000		0000000	0000000	0000000	
8 7696401 0		0000000	0000000	0000000		0000000	0000000	0000000	
9 7696402 0		0000000	0000000	0000000		0000000	0000000	0000000	
10 7696403 0		0000000	0000000	0000000		0000000	0000000	0000000	
11 7696404 0		0000000	0000000	0000000		0000000	0000000	0000000	
12 7696405 0		0000000	0000000	0000000		0000000	0000000	0000000	
13 7696406 0		0000000	0000000	0000000		0000000	0000000	0000000	
14 7696407 0		0000000	0000000	0000000		0000000	0000000	0000000	
15 7696408 0		0000000	0000000	0000000		0000000	0000000	0000000	
16 7696409 0		0000000	0000000	0000000		0000000	0000000	0000000	
17 7696410 0		0000000	0000000	0000000		0000000	0000000	0000000	
18 7696411 0		0000000	0000000	0000000		0000000	0000000	0000000	
19 7696412 0		0000000	0000000	0000000		0000000	0000000	0000000	
20 7696413 0		0000000	0000000	0000000		0000000	0000000	0000000	
21 7696414 0		0000000	0000000	0000000		0000000	0000000	0000000	
22 7696415 0		0000000	0000000	0000000		0000000	0000000	0000000	
23 7696416 0		0000000	0000000	0000000		0000000	0000000	0000000	
24 7696417 0		0000000	0000000	0000000		0000000	0000000	0000000	
25 7696418 0		0000000	0000000	0000000		0000000	0000000	0000000	
26 7696419 0		0000000	0000000	0000000		0000000	0000000	0000000	
27 7696420 0		0000000	0000000	0000000		0000000	0000000	0000000	
28 7696421 0		0000000	0000000	0000000		0000000	0000000	0000000	
29 7696422 0		0000000	0000000	0000000		0000000	0000000	0000000	
30 7696423 0		0000000	0000000	0000000		0000000	0000000	0000000	
31 7696424 0		0000000	0000000	0000000		0000000	0000000	0000000	
32 7696425 0		0000000	0000000	0000000		0000000	0000000	0000000	
33 7696426 0		0000000	0000000	0000000		0000000	0000000	0000000	
34 7696427 0		0000000	0000000	0000000		0000000	0000000	0000000	
35 7696428 0		0000000	0000000	0000000		0000000	0000000	0000000	
36 7696429 0		0000000	0000000	0000000		0000000	0000000	0000000	
37 7696430 0		0000000	0000000	0000000		0000000	0000000	0000000	
38 7696431 0		0000000	0000000	0000000		0000000	0000000	0000000	
39 7696432 0		0000000	0000000	0000000		0000000	0000000	0000000	
40 7696433 0		0000000	0000000	0000000		0000000	0000000	0000000	
41 7696434 0		0000000	0000000	0000000		0000000	0000000	0000000	
42 7696435 0		0000000	0000000	0000000		0000000	0000000	0000000	
43 7696436 0		0000000	0000000	0000000		0000000	0000000	0000000	
44 7696437 0		0000000	0000000	0000000		0000000	0000000	0000000	
45 7696438 0		0000000	0000000	0000000		0000000	0000000	0000000	
46 7696439 0		0000000	0000000	0000000		0000000	0000000	0000000	
47 7696440 0		0000000	0000000	0000000		0000000	0000000	0000000	
48 7696441 0		0000000	0000000	0000000		0000000	0000000	0000000	
49 7696442 0		0000000	0000000	0000000		0000000	0000000	0000000	
50 7696443 0		0000000	0000000	0000000		0000000	0000000	0000000	
51 7696444 0		0000000	0000000	0000000		0000000	0000000	0000000	
52 7696445 0		0000000	0000000	0000000		0000000	0000000	0000000	
53 7696446 0		0000000	0000000	0000000		0000000	0000000	0000000	
54 7696447 0		0000000	0000000	0000000		0000000	0000000	0000000	
55 7696448 0		0000000	0000000	0000000		0000000	0000000	0000000	
56 7696449 0		0000000	0000000	0000000		0000000	0000000	0000000	
57 7696450 0		0000000	0000000	0000000		0000000	0000000	0000000	
58 7696451 0		0000000	0000000	0000000		0000000	0000000	0000000	
59 7696452 0		0000000	0000000	0000000		0000000	0000000	0000000	
60 7696453 0		0000000	0000000	0000000		0000000	0000000	0000000	
61 7696454 0		0000000	0000000	0000000		0000000	0000000	0000000	
62 7696455 0		0000000	0000000	0000000		0000000	0000000	0000000	
63 7696456 0		0000000	0000000	0000000		0000000	0000000	0000000	
64 7696457 0		0000000	0000000	0000000		0000000	0000000	0000000	
65 7696458 0		0000000	0000000	0000000		0000000	0000000	0000000	
66 7696459 0		0000000	0000000	0000000		0000000	0000000	0000000	
67 7696460 0		0000000	0000000	0000000		0000000	0000000	0000000	
68 7696461 0		0000000	0000000	0000000		0000000	0000000	0000000	
69 7696462 0		0000000	0000000	0000000		0000000	0000000	0000000	
70 7696463 0		0000000	0000000	0000000		0000000	0000000	0000000	
71 7696464 0		0000000	0000000	0000000		0000000	0000000	0000000	
72 7696465 0		0000000	0000000	0000000		0000000	0000000	0000000	
73 7696466 0		0000000	0000000	0000000		0000000	0000000	0000000	
74 7696467 0		0000000	0000000	0000000		0000000	0000000	0000000	
75 7696468 0		0000000	0000000	0000000		0000000	0000000	0000000	
76 7696469 0		0000000	0000000	0000000		0000000	0000000	0000000	
77 7696470 0		0000000	0000000	0000000		0000000	0000000	0000000	
78 7696471 0		0000000	0000000	0000000		0000000	0000000	0000000	
79 7696472 0		0000000	0000000	0000000		0000000	0000000	0000000	
80 7696473 0		0000000	0000000	0000000		0000000	0000000	0000000	
81 7696474 0		0000000	0000000	0000000		0000000	0000000	0000000	
82 7696475 0		0000000	0000000	0000000		0000000	0000000	0000000	
83 7696476 0		0000000	0000000	0000000		0000000	0000000	0000000	
84 7696477 0		0000000	0000000	0000000		0000000	0000000	0000000	
85 7696478 0		0000000	0000000	0000000		0000000	0000000	0000000	
86 7696479 0		0000000	0000000	0000000		0000000	0000000	0000000	
87 7696480 0		0000000	0000000	0000000		0000000	0000000	0000000	
88 7696481 0		0000000	0000000	0000000		0000000	0000000	0000000	
89 7696482 0		0000000	0000000	0000000		0000000	0000000	0000000	
90 7696483 0		0000000	0000000	0000000		0000000	0000000	0000000	
91 7696484 0		0000000	0000000	0000000		0000000	0000000	0000000	
92 7696485 0		0000000	0000000	0000000		0000000	0000000	0000000	
93 7696486 0		0000000	0000000	0000000		0000000	0000000	0000000	
94 7696487 0		0000000	0000000	0000000		0000000	0000000	0000000	
95 7696488 0		0000000	0000000	0000000		0000000	0000000	0000000	
96 7696489 0		0000000	0000000	0000000		0000000	0000000	0000000	
97 7696490 0		0000000	0000000	0000000		0000000	0000000	0000000	
98 7696491 0		0000000	0000000	0000000		0000000	0000000	0000000	
99 7696492 0		0000000	0000000	0000000		0000000	0000000	0000000	
100 7696493 0		0000000	0000000	0000000		0000000	0000000	0000000	

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
RANDLEMAN POOL UNIT									
1B2631 11	N	100	2288-	339	2627 EX	4810	2183	7493	1127
REID FEDERAL									
1M 828 9	M	86	1953	1953		1954	1954	1954	82
RIDDLE FEDERAL									
1D 430 9	IN	100	4399	619	3780	6929	10709	10794	1755
2L 330 9	BN	100	7075		7075	2799	9874	4361	531
3B1030 9	N	100	4315	359	3956	3093	7049	4818	618
RIDDLE A FEDERAL									
1G1530 9	N	100	25554	13761	11793	12982	24775	20223	3549
2H 129 9	N	104	3724-	3038	6762 EX	2512	4250-	3914	417
3M2430 9	N	100	3256	1487	1769	1567	3336	2442	166
RIDDLE B FEDERAL									
1B2730 10	XM	100	743	743		1380	1380	1380	44
2H2330 10	N	100	927-		927 EX	1925	998	2999	272
3K2330 10	N	100	729		729	2543	3272	3961	455
RIDDLE C FEDERAL									
1L3031 9	M	95	1217	1217		1540	1540	1540	147
2A3031 9	N	100	831-	445	1276 EX	3683	2407	5738	793
3N2931 9	N	100	805-		805 EX	3012	2207	4692	594
RIDDLE D FEDERAL									
3L2231 9	N	100	23696	10409	13287	4560	17847	7104	1053
4A2231 9	N	100	9343	5258	4085	3889	7974	6058	854
RIDDLE E FEDERAL									
1I 430 9	N	100	5841	4087	1754	8390	10144	13070	2188
RIDDLE F FEDERAL									
1L1728 8	N	100	5600	9540	3940 EX	2239	1701-	3488	365
2M 828 8	N	94	18880	16113	2767	4432	7199	6905	1099
3A2028 8	N	100	23469	26282	2813 EX	5441	2628	8476	1314
4B2928 8	N	100	1305	510	795	1480	2275	2306	140
5A3228 8	N	96	17678	4451	13227	5590	18817	8708	1427
RIDDLE G FEDERAL									
1P 728 8	N	93	4280	4889	6.09 EX	1821	1212	2837	282
RINCON UNIT									
8K2027 6	N	100	9416	1712	7704	1726	9430	2689	213
21L1627 6	N	100	515	2972	2457 EX	2627	170	4093	480
23M3527 7	M	100	1083	1083		1374	1374	1374	39
29A2227 6	N	100	666	2085	1419 EX	1837	418	2863	246
32H1627 6	N	100	1150	2263	1113 EX	1480	367	2306	140
33M2227 6	N	100	2553	2666	113 EX	2688	2575	4187	498
78G1427 7	M	100	1219	1219		2438	2438	2438	223
79A1727 6	N	100	7715	9781	2066 EX	4101	2035	6389	917
80B1827 6	N	100	47656	9214	38442	7644	46086	11908	1967
81K1727 6	N	100	7268	8896	1628 EX	5876	4248	9154	1443
82M2327 6	N	100	6887-		6887 EX	3504	3383-	5459	740
83B2327 6	N	100	4710	4581	129	2823	2952	4397	538
84A2627 7	TN	100	1365	653	712	1000	1712	1000	51
85H1527 7	N	100	3327	4436	1109 EX	2003	894	3120	295
88G1327 7	N	100	762-	2682	3444 EX	3312	132-	5160	683
97L1827 6	N	100	5384	2748	2636	1581	4217	2463	170
98A2127 6	N	100	6386		6386	4520	10906	7041	1041
99A2727 6	N	100	10065-		10065 EX	5613	4452-	8744	1365
100A2627 6	N	100	9213-		9213 EX	4959	4254-	7725	1171
101L 126 7	M	100	1308	1308		1401	1401	1401	99
102M1126 7	N	100	2471-	1949	4420 EX	2222	2198-	3462	360
107K1927 6	M	100	1486	1486		1801	1801	1801	93
108G1927 6	N	100	13367	2673	10694	2910	13604	4534	564
113H2027 6	N	100	17734	3381	14353	2772	17125	4319	523
115K2127 6	N	100	1682	2455	773 EX	1827	1054	2847	243
123M1327 7	N	100	8728	3097	5631	1999	7630	3115	294
124H3427 7	N	100	20058	2991	17067	2573	19640	4009	464
125N2627 6	XM	100	276	276		375	375	375	46
126N2727 6	XM	100	274	274		758	758	758	11
127A2827 6	XM	100	498	498		811	811	811	32
128L2827 6	M	100	958	958		1315	1315	1315	14
129K2927 6	XM	100	483	483		894	894	894	45

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
130A 3227 6	TN	100	730	523	207	1000	1207	1000	41
135B 2927 6	N	100	9638	4672	4966	2735	7701	4261	512
137K 2427 7	M	100	1373	1373		1494	1494	1494	161
149N 3027 6	XM	100	895	895		1135	1135	1135	87
150A 626 6	XM	100	611	611		1300	1300	1300	38
RIPLEY FEDERAL									
3A 2427 7	N	100	12563	2037	10526	1520	12046	2369	152
ROELOFS FEDERAL									
1B 2229 8	N	100	8215	9711	1496 EX	2715	1219	4229	506
2B 1529 8	N	100	4884	5158	274 EX	2462	2188	3835	431
3M 1529 8	N	100	17260	19944	2684 EX	4277	1593	6663	969
ROELOFS A FEDERAL									
1L 1029 8	N	100	150		150	2026	2176	3157	302
2M 1429 8	N	100	3009	293	2716	2198	4914	3425	353
3A 929 8	N	100	15623	9853	5770	3474	9244	5412	731
4M 2229 8	N	100	2366		2366	1770	4136	2758	226
ROSA UNIT									
8M 2631 6	XM	100	990	990		1015	1015	1015	192
9K 1131 6	M	100	1248	1248		1847	1847	1847	93
10M 1331 6	M	100	1483	1483		2211	2211	2211	83
12A 1531 6	N	100	18999	4348	14651	3825	18476	5958	835
13G 3131 5	N	100	907	3411	2504 EX	1513	991-	2358	150
14B 2331 6	M	100	2452	2452		2682	2682	2682	156
15H 2931 5	M	100	1273	1273		1928	1928	1928	257
16N 1431 6	N	100	2327	3100	773 EX	1608	835	2505	178
17M 2031 5	M	100	1676	1676		2265	2265	2265	222
18H 2231 6	M	100	1736	1736		1596	1596	1596	167
19K 2431 6	M	100	2166	2166		2693	2693	2693	329
20G 1431 6	N	100	5011	3569	1442	2209	3651	3441	356
21M 2331 6	N	100	4407	2539	1868	1655	3523	2579	192
22A 1831 5	M	100	1778	1778		1693	1693	1693	320
23M 2931 5	M	100	1124	1124		1861	1861	1861	120
24M 3231 5	N	100	967	3412	2445 EX	1878	567-	2926	258
25N 1531 6	M	100	1410	1410		2927	2927	2927	189
26A 3231 5	N	100	11449	2644	8805	2202	11007	3430	354
29H 3232 6	N	100	4872	3815	1057	1797	2854	2800	234
34B 3632 6	N	100	9374	8906	468	4226	4694	6584	954
X 35K 531 6	M	100	1837	1837		2205	2205	2205	193
36H 1131 6	N	100	709	3994	3285 EX	2900	385-	4518	561
41K 531 5	N	115	13067	6688	6379	3949	10328	6152	719
RUSSELL FEDERAL									
1N 2428 8	N	100	8	1697	1689 EX	1486	203-	2316	142
2M 2528 8	N	100	8801	2109	6692	1584	8276	2468	171
3M 2328 8	N	100	4653	2001	2652	1348	4000	2101	101
4G 2428 8	N	100	6580	13523	6943 EX	2367	4576-	3688	403
5G 2528 8	N	100	16081	15919	162	5505	5667	8576	1333
SAN JUAN FEDERAL									
1H 13010	N	100	18847	24778	5931 EX	5367	564-	8360	1292
10M 103010	N	100	5626-		5626 EX	4803	823-	7483	1125
11M 113010	N	100	9513-		9513 EX	4803	4710-	7483	1125
SCHULTZ STATE									
12N 1627 8	N	100	102	1865	1763 EX	3359	1596	5233	697
13G 1627 8	N	100	2995	13436	10441 EX	3710	6731-	5780	801
SCHUMACHER FEDERAL									
1G 173010	XM	100	209	209		399	399	399	13
9N 173010	N	100	7732	1416	6316	1220	7536	1901	63
10A 183010	N	100	7099	2012	5087	1432	6519	2232	126
SCHWERDTFEGER FEDERAL									
1M 2731 9	BN	100	7897		7897	6291	14188	9801	1566
2G 2731 9	N	100	6324-		6324 EX	6227	97-	9701	1547
SCHWERDTFEGER A FEDERAL									
1M 3628 9	N	100	7662	8644	982 EX	3339	2357	5202	691
9A 3128 8	N	97	9703		9703	4642	14345	7231	1120
10M 3128 8	N	91	4511	5439	928 EX	2050	1122	3194	369
11G 627 8	N	100	8483	3752	4731	1817	6548	2831	240
12N 627 8	N	100	6256	8867	2611 EX	4530	1919	7057	1044
13B 827 8	N	100	5103	6796	1693 EX	3113	1420	4849	624

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
14N 8 27 8	N	1.00	12788	6887	5901	3457	9358	5386	726
15B 21 27 8	N	1.00	5976	13898	7922 EX	2425	5497-	3777	420
SCOTT FED	RAL								
1H 29 32 10	N	1.00	11058	20531	9473 EX	4368	5105-	6805	996
2H 30 32 10	N	1.00	3775		3775	2455	6230	3825	429
3H 29 32 10	N	1.00	7966	9281	1315 EX	2978	1663	4639	584
4H 17 31 10	N	1.00	10799-	3700	11699 EX	2080	9089-	3241	318
5H 34 32 10	N	1.00	15178	23588	8410 EX	4294	4116-	6689	974
6K 4 31 10	N	1.00	6982-	817	7799 EX	2543	5256-	3961	455
7B 33 31 10	N	1.00	6989-	312	7301 EX	3848	3453-	5995	842
SELLERS FED	RAL								
1A 30 30 10	N	1.00	583	583		1741	1741	1741	57
SHARP FED	RAL								
1D 18 28 8	N	95	5000	3343	1657	2307	3964	3594	421
2B 18 28 8	N	1.00	3925	984	2941	2030	4971	3162	303
SHAW FED	RAL								
1B 13 30 9	N	1.00	2387	157	2230	2047	4277	3189	308
SHEETS FED	RAL								
1N 28 31 9	N	1.00	3805	394	3411	3730	7141	5811	807
SHEETS FED	RAL								
2H 28 31 9	N	1.00	8172	3794	4378	4000	8378	6232	887
SINCLAIR STATE	STATE								
1J 32 32 11	N	1.00	2668-	337	3005 EX	5401	2396	8413	1302
SMYER FED	RAL								
1M 23 31 11	N	1.00	777	255	522	5320	5842	8287	1278
STANOLIND STATE	STATE								
1N 36 29 9	N	1.00	5956	5241	715	2394	3109	3730	411
STATE									
14H 32 32 5	XM	1.00	264	264		306	306	306	
STEWART FED	RAL								
3A 28 30 10	N	1.00	885	1759	874 EX	1109	235	1727	30
4K 28 30 10	N	1.00	16594-	1489	18083 EX	2192	15891-	3415	351
5L 20 30 10	N	1.00	6184	2465	3719	1439	5158	2242	128
STEWART A	STATE								
2M 33 32 5	XM	1.00	1099	1099		1884	1884	1884	168
STOREY FED	RAL								
1B 27 28 8	N	1.00	10233	1337	8896	1733	10629	2700	215
2M 28 30 10	N	96	7227	1527	5744	1490	7234	2322	161
3M 28 30 10	N	1.00	3932	5302	1370 EX	2735	1365	4261	512
4B 32 28 8	N	1.00	2732	2732		3455	3455	3455	136
STOREY A	FED								
1A 33 32 11	N	1.00	9617	13055	3438 EX	4267	829	6647	966
STOREY FED	RAL								
1H 11 33 11	N	1.00	5989	1720	4269	1385	5654	2158	112
3L 15 33 11	N	1.00	9664	3759	5905	1996	7901	3110	293
4L 11 33 11	N	1.00	5684	3551	2133	2377	4510	3704	406
STOREY A	FED								
6A 22 32 9	N	1.00	2638-		2638 EX	1389	1249-	2164	113
7B 22 32 9	N	1.00	2964	5194	2230 EX	2384	154	3714	408
8K 33 32 9	N	1.00	7522	6724	798	4469	5267	6962	905
9L 34 32 9	N	1.00	491		491	3126	3617	4870	557
10G 34 32 9	N	1.00	3972-	6688	10660 EX	5551	5141-	8597	1321
11G 34 32 9	N	1.00	9857-	4670	5655 EX	3261	2394-	5081	668
STUART FED	RAL								
1L 10 30 8	N	1.00	4808	4808		5305	5305	5305	630
SUGG FED	RAL								
1H 7 30 10	N	99	1152	1072	80	1608	1688	2505	183
SUNRAY	FED								
1M 29 32 8	N	1.00	33	6980	6947 EX	3042	3905-	4739	585
2A 29 32 8	N	1.00	11812	9292	2520	4027	6547	6274	883
SUNRAY	FED								
1A 15 30 10	N	1.00	11533-		11533 EX	3157	8376-	4918	637
2A 10 30 10	N	1.00	12642-		12642 EX	3366	9276-	5244	699
SUNRAY	FED								
1M 15 30 10	N	1.00	8408-		8408 EX	5640	2768-	8786	1373
2K 13 30 10	N	1.00	1758-		1758 EX	6720	4962	10468	1693
SUNRAY	FED								

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1A 13011	N	100	4622	1696	2926	1831	4757	2852	244
SUNRAY DEFEDERAL			3603	3757	154 EX	2090	1936	3257	321
2H 21301 OFEDERAL	N	100							
1A 93010	N	100	137-		137 EX	2934	2797	4571	571
2L 93011	N	100	3433	2145	1288	2381	3669	3709	407
SUNRAY DEFEDERAL									
1G 26301 OFEDERAL	N	100	2099-		2099 EX	2185	86	3404	349
SUNRAY DEFEDERAL									
12 21319	N	100	257-		257 EX	4135	3878	6442	927
2G 21319	N	100	6189	5340	849	3228	4077	5028	658
SUNRAY DEFEDERAL									
1B 11301 OFEDERAL	N	100	21027-		21027 EX	4807	16220-	7488	1126
SUNRAY DEFEDERAL									
1M 73010	N	100	5078	4104	974	2944	3918	4587	574
SUNRAY STATE									
1B 23110	N	100	10346	13013	2667 EX	3349	682	5217	694
TAPP FEDERAL									
1 22288	N	100	310-	839	1149 EX	1331	182	2074	96
2G 17288	N	100	20914-		X020914 EX	1699	19215-	2647	205
3L 15288	N	100	8359	9224	865 EX	3794	2929	5911	826
4M 16288	N	100	5628		5628	3754	9382	5848	814
THOMPSON FEDERAL									
2M 34308	N	100	12064	6021	6043	7496	13539	11677	1923
THREE STATES									
1L 16229	N	100	7226	9729	2503 EX	2772	269	4319	523
THUNDERBIRD									
1H 31311	N	100	12732	5850	6882	2667	9549	4156	492
TURNER FEDERAL									
1A 28309	N	100	1675		1675	12179	13854	18972	3311
2G 13301 0	N	100	825-		825 EX	2802	1977	4366	532
TURNER A									
1K 34311	N	100	7415	2344	5071	1642	6713	2558	188
TURNER STATE									
1M 22309	N	100	234177	57435	176742	8984	185726	13995	2364
2A 23009	N	100	10833	11941	1108 EX	4672	3564	7278	1086
VANDEWART FEDERAL									
1M 11229	N	100	8531	7243	1288	3724	5012	5801	805
VANDEWART FEDERAL									
1A 22299	N	100	3852		3852	3143	6995	4897	633
2K 11299	N	100	14944	15177	2233 EX	6612	6379	10300	1661
3M 11299	N	100	6248	8638	2390 EX	2374	16-	3698	405
4B 11299	N	100	2415	3430	1015 EX	2117	1102	3299	329
5H 11499	N	100	13027-		13027 EX	4557	8470-	7099	1052
6A 24299	N	100	2659	2109	550	2030	2580	3162	303
VANDEWART FEDERAL									
1M 27311	N	100	13042	9758	3284	7860	11144	12245	2031
WALKER FEDERAL									
1K 13199	N	100	693	230	463	2816	3279	4387	536
WALKER									
2K 31299	N	100	9865-	198	10063 EX	4564	5499-	7110	1054
WARREN FEDERAL									
1A 22289	N	100	756	4057	3301 EX	1520	1781-	2369	152
2K 22289	N	100	3641-	84	3641 EX	3947	306	6149	1094
3L 22289	N	100	10402	8203	2199	3578	5777	5575	762
4G 22289	N	100	2462	3610	1148 EX	2779	1631	4329	525
5H 22289	N	100	832	651	181	1345	1526	2095	100
WARREN FEDERAL									
12 22289	N	100	8307	14601	6294 EX	2674	3620-	4166	494
2A 22289	N	100	13374	16659	3285 EX	4243	958	6610	959
WILLIAMS FEDERAL									
1M 31111	N	100	2536	2536		3110	3110	3110	229
WOOLWORTH									
1 53009	N	100	7657-		7657 EX	5768	1889-	8986	1411
2G 93008	N	100	11990		11990	13593	25583	21175	3730
YATES FEDERAL									
1M 31111	X	100	308	308		252	252	252	8

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
			JUNE			JULY		AUGUST	
UNIT									
[illegible]	[illegible]	[illegible]	7924	[illegible]	[illegible]	7744	7744	7744	1446
			5074			3187	2027-	4965	
			2337	2335		2737	3772	3772	4438
			2437	2433		3662	3662	2962	4228
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UNIT									
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
45K 627 5	N	100	71		71	4034	4105	6284	897
46M 727 5	M	100	1388	1388		1703	1703	1703	87
47K1827 5	M	100	1937	1937		1694	1694	1694	87
48K1927 5	N	100	8705	2917	5788	1824	7612	2842	242
49A1827 5	N	100	18496	2751	15745	1807	17552	2815	237
50G1927 5	N	100	11651	1942	9709	1436	11145	2237	127
51K2827 5	M	100	1558	1558		2317	2317	2317	58
52M 427 5	N	100	5664		5664	7924	13588	12345	2050
53M 527 5	N	100	1534		1534	3433	4967	5349	719
54L3127 5	N	100	5666	5521	145	4223	4368	6579	953
55A 127 5	M	100	985	985		1452	1452	1452	77
56L3427 5	N	100	4333		4333	4267	8600	6647	966
59A 627 5	N	100	15989-		15989 EX	10401	5588-	16202	2784
60H 427 5	N	100	50575-		XO 50575 EX	3879	46696-	6043	851
61G 527 5	N	100	18473	2925	15548	2981	18529	4644	585
63N 827 5	N	100	8754	6681	2073	2833	4906	4413	541
64M 927 5	N	100	2425	2409	16	2765	2781	4308	521
66M2727 5	N	100	16187	1552	14635	1524	16159	2374	153
67B3127 5	N	100	1806		1806	6173	7979	9617	1531
68A3327 5	N	100	4308	4039	269	2836	3105	4418	542
69A 727 5	N	100	4787	7377	2590 EX	4753	2163	7404	1110
70G 827 5	N	100	6095	1846	4249	2350	6599	3662	398
71A2827 5			18402-	6349	24751 EX		24751-		
91A1327 5	N	100	5968	2931	3037	1827	4864	2847	243
27 9 BLANCO DEVELOPMENT FEDERAL UNIT									
1B 127 9	N	100	2917	5388	2471 EX	4179	1708	6510	940
2G1227 9	N	100	13744	165	13579	5441	19020	8476	1314
3M 127 9	N	100	15827	7566	8261	4780	13041	7446	1118
4M1227 9	N	100	9513	174	9339	5826	15165	9075	1428
5B 227 9			18767-	22730	41497 EX		41497-		
28 4 SAN JUAN UNIT									
1A1828 4	XM	100	225	225		274	274	274	14
2K1728 4	XM	100	124	124		390	390	390	11
5H3228 4	M	100	916	916		1413	1413	1413	72
8N3628 4	M	100	1681	1681		1921	1921	1921	77
9N3228 4	N	100	10785		10785	2468	13253	3846	433
11G3128 4	N	100	3821	3324	497	2296	2793	3578	382
12K3328 4	N	100	321	2431	2110 EX	1800	310-	2805	235
13N2028 4	N	100	8028	2316	5712	1547	7259	2411	160
14H2928 4	N	100	1000	1759	759 EX	1443	684	2248	129
15M2928 4	M	100	1998	1998		2531	2531	2531	122
16H3028 4	N	100	9514	2362	7152	1335	8487	2080	97
17A2028 4	XM	100	678	678		1296	1296	1296	70
18M3128 4	N	100	9163		9163	4078	13241	6353	910
20M3028 4	N	100	2935	28	2907	2266	5173	3530	373
21N 728 4	M	72	671	671		1795	1795	1795	77
26L1828 4	XM	100	414	414		1686	1686	1686	23
27N1928 4	N	100	2715		2715	2279	4994	3551	377
28 5 SAN JUAN UNIT									
1G2928 5	N	100	1236		1236	1513	2749	2358	150
2M1428 5	XM	100	1885	1885		919	919	919	64
3M2628 5	M	100	1219	1219		2110	2110	2110	98
4G1928 5	N	100	1505	1295	210	1372	1582	2137	108
6K1628 5	N	100	919	791	128	1753	1881	2731	221
7K 828 5	N	88	3462	1802	1660	1332	2992	2075	150
8B2128 5	N	100	5195	2943	2252	1655	3907	2579	192
9K2928 5	N	100	4345	2594	1751	2721	4472	4240	508
10K1528 5	N	75	2253	6272	4019 EX	1191	2828-	1855	172
11K3328 5	N	102	6740	3517	3223	2252	5475	3509	356
12L 728 5	N	88	10229	22454	12225 EX	4315	7910-	6721	1155
13M 928 5	N	88	4672	2789	1883	1733	3616	2701	285
14H2028 5	N	100	10643	1828	8815	1706	10521	2658	207
15M3428 5	N	107	5312	2909	2403	2036	4439	3172	265
16A1628 5	M	100	1632	1632		2631	2631	2631	160
17K2028 5	N	100	2153-		2153 EX	2624	471	4087	479
18M1128 5	N	88	1549	4660	3111 EX	1571	1540-	2448	231
19L1028 5	N	88	4515	3567	948	1642	2590	2559	255

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
			JUNE			JULY		AUGUST	

BLANCO MESAVERDE POOL EL PASO SYSTEM CTD YEAR: 1963 PAGE: 44

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
34A3228 6	N	102	4935	4899	36	1571	1607	2447	158
35G3028 6	N	100	16330	4221	12109	2330	14439	3630	392
36B 627 6	N	100	2634	3234	600 FX	3120	2520	4860	626
37K 627 6	BN	98	1573		1573	2512	4085	3914	461
38A 527 6	N	100	6582	5071	1511	1888	3399	2942	261
39N 527 6	I N	100	6676	4817	1859	1942	3801	3026	277
40G 427 6	N	100	2801	1581	1220	1679	2899	2616	199
41A34228 6	N	101	8905	6875	2030	2964	4994	4618	571
42L34228 6	N	101	8948	4478	4470	2617	7087	4077	469
43A 727 6	I N	100	3293	4001	708 FX	1787	1079	2784	231
44B2028 6	N	100	6736	11686	4950 FX	4456	494-	6941	1022
45B2628 6	N	100	16898-		16898 FX	2924	13974-	4555	568
46B1528 6	N	100	13606	8008	5598	3643	9241	5675	781
47M1528 6	N	100	9072	8830	242	3501	3743	5454	739
48B1628 6	N	100	2833		2833	5498	8331	8565	1331
49N1628 6	N	100	9815	5999	3816	4422	8238	6889	1012
50L1928 6	N	82	4580	7979	3399 FX	1909	1490-	2974	391
51K2928 6	N	100	316-		316 FX	1982	1666	3089	289
52G3128 6	N	102	3562	6349	2787 FX	2542	245-	3961	440
53L 827 6	N	100	3176	2876	300	3228	3528	5028	658
54N 727 6	I N	99	9187	7814	1373	3697	5070	5759	808
55M 928 6	N	88	31019	12702	18317	9632	27949	15005	2946
56M1128 6	N	88	2734		2734	5357	8091	8346	1506
57M1328 6	N	100	345		345	5097	5442	7940	1212
58B2328 6	N	100	26392-		26392 FX	6781	19611-	10563	1711
59N1428 6	N	100	4591-		4591 FX	8043	3452	12529	2085
60B2128 6	N	100	13222	11979	1243	7121	8364	11094	1812
61M2128 6	N	100	5321	8204	2883 FX	9696	6813	15104	2575
62G2228 6	N	100	6996-		6996 FX	3504	3492-	5459	740
63K2228 6	N	100	15972	8592	7380	4243	11623	6610	959
64M1427 6	N	100	792	3255	2463 FX	3130	667	4876	629
65G2428 6	N	100	4354-		4354 FX	5843	1489	9102	1433
66B1127 6	N	100	10208	2970	7238	1901	9139	2963	265
67A1427 6	M	100	1333	1333		2297	2297	2297	137
68L1327 6	N	100	1299	2296	997 FX	2033	1036	3168	304
69M2427 6	N	100	1241	3635	2394 FX	4257	1863	6631	963
70M2527 6	N	100	9190	4494	4696	4125	8821	6426	924
71B1328 6	N	100	859		859	5377	6236	8376	1295
72B1928 6	N	100	3616	8461	4845 FX	2087	2758-	3252	320
74A 327 6	N	100	1011	3624	2613 FX	2192	421-	3415	351
75N 327 6	N	100	752-		752 FX	2148	1396	3346	338
76M2 328 6	N	100	1680-		1680 FX	3403	1723	5301	710
77K 227 6	N	100	12552	2755	9797	1875	11672	2921	257
78A 127 6	N	100	3592	4298	706 FX	1719	1013	2679	211
79M1127 6	N	100	727		727	1689	2416	2631	202
80G1227 6	M	100	2039	2039		2328	2328	2328	162
81M1227 6	M	100	1819	1819		2823	2823	2823	118
82G1327 6	M	100	1611	1611		2510	2510	2510	125
85G2527 6	N	100	5655-		5655 FX	4061	1594-	6326	905
86G2427 6	N	100	1884	3568	1684 FX	2128	444	3315	332
87M2028 6	N	100	3890	8177	4287 FX	1922	2365-	2994	271
88L35228 6	N	100	21529	9094	12435	3805	16240	5927	829
92G 227 6	N	100	7464	2508	4956	1679	6635	2616	199
93M36228 6	N	100	10077	3832	6245	1996	8241	3110	293
94B36228 6	N	100	7615	10009	2394 FX	3130	736	4876	629
97B35228 6	N	100	7363-		7363 FX	7786	423	12129	2009
28 7 SAN JUAN UNIT									
1A33228 7	N	100	8945	1851	7094	1429	8523	2227	125
6N16228 7	N	100	1671	3322	1651 FX	1449	202-	2258	131
7A35228 7	N	102	2627	2556	71	1240	1311	1932	62
8B18228 7	N	100	5897	3175	2722	1513	4235	2358	150
9M14228 7	XM	100	571	571		550	550	550	25
10M36228 7	N	103	5930	2786	3144	1581	4725	2463	156
11A36228 7	N	103	227	2059	1832 FX	1615	217-	2516	166
12L17228 7	N	100	8460	2200	6260	1389	7649	2164	113
18M25228 7	N	100	7760	3648	4112	1942	6054	3026	277
19G25228 7	M	100	2074	2074		2293	2293	2293	90

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
2 0 M 8 2 8 7	N	9 5	6 6 6 2	1 1 3 7 7	4 7 1 5 EX	3 9 2 6	7 8 9 -	6 1 1 7	9 2 6
2 1 N 9 2 8 7	N	9 4	2 4 4 1 9	5 0 2 8	1 9 3 9 1	4 6 1 5	2 4 0 0 6	7 1 8 9	1 1 5 6
2 2 I 1 7 2 8 7	N	1 0 0	1 4 9 5	3 4 3 6	1 9 4 1 EX	1 7 2 9	2 1 1 2 -	2 6 9 5	2 1 4
2 3 A 1 5 2 8 7	M	1 0 0	9 8 5	9 8 5		1 8 9 1	1 8 9 1	1 8 9 1	9 ●
2 4 H 1 4 2 8 7	N	1 0 0	7 0 9 -	1 5 4 4	2 2 5 3 EX	1 6 9 6	1 5 5 7 -	2 6 4 2	2 0 4
2 5 K 1 2 3 2 8 7	N	1 0 0	3 9 4 0	2 7 0 5	1 2 3 5	1 5 6 4	2 7 9 9	2 4 3 7	1 6 5
2 6 M 1 1 4 2 8 7	M	1 0 0	1 8 8 2 2	1 8 2 2		2 4 2 9	2 4 2 9	2 4 2 9	9 8
2 7 N I 2 2 4 2 8 7	N	1 0 0	3 9 2 8	8 6 5 3	4 7 2 5 EX	2 3 0 5	2 4 1 9 -	3 5 9 3	3 8 5
2 8 I 2 2 6 2 8 7	N	1 0 0	2 6 9 2	3 6 1 9	9 2 7 EX	2 1 7 8	1 2 5 1	3 3 9 4	3 4 7
2 9 C 1 7 2 2 8 7	N	7 2	4 7 8 0		4 7 8 0	2 0 7 5	6 8 5 5	3 2 3 3	5 5 3
3 0 F 1 1 8 2 8 7	N	9 5	7 9 4	3 7 8 1	2 9 8 7 EX	1 8 9 5	1 0 9 2 -	2 9 5 2	2 9 3
3 1 N 2 2 0 2 2 8 7	M	1 0 0	1 2 8 6 7	2 1 7 7	1 0 6 9 0	1 6 3 8	1 2 3 2 8	2 5 5 3	1 8 7
3 2 F 1 1 9 2 2 8 7	N	9 6	2 0 7 6	2 0 7 6		2 0 7 0	2 0 7 0 0	2 0 7 0	1 2 8
3 3 A 1 1 3 2 2 8 7	N	1 0 0	3 1 8 -		3 1 8 EX	3 4 9 8	3 1 8 0 0	5 4 4 9	7 3 8
3 4 I 1 1 7 2 2 7 7	N	1 0 0	2 6 6 0 3	2 0 6 1	5 4 2 2	1 4 3 6	1 9 7 8	2 2 3 7	1 2 7
3 5 F 1 1 7 2 2 9 7	N	1 0 0	1 7 2 2 9	2 9 5 5	1 2 2 6 6 EX	1 6 5 2	1 4 2 6	2 5 7 4	1 9 1
4 4 A 1 2 2 2 2 7 7	N	1 0 0	6 6 7 3 3 -		6 6 7 3 3 EX	3 4 2 3 3	3 2 5 5 0 -	5 3 3 3	7 1 6
4 5 F 2 7 8 2 2 7 7	N	1 0 0	1 7 2 2 5 8 8		1 7 2 5 5 8 8	2 6 8 8	1 9 9 4 6	4 1 8 7	4 9 8
4 6 H 1 6 2 2 8 7 7	N	1 0 0	1 3 3 1 5	3 2 4 9	1 0 0 6 6 6	2 1 3 4	1 2 2 0 0	3 3 2 5	3 3 4
4 7 A 2 0 2 2 8 7 7	N	1 0 0	4 7 1 7 0	8 3 4 7	3 8 8 2 3 3	4 3 5 5	4 3 1 7 8	6 7 8 4	9 9 2
4 8 F 1 2 2 2 8 7 7	N	1 0 0	4 4 9 5 5	5 6 3	1 0 6 8 8 EX	2 2 5 2 6	1 4 5 8	3 9 3 5	4 5 5 ●
4 9 B F 2 2 2 2 8 7 7	B	1 0 0				3 9 4 6			
5 0 A 1 3 2 2 8 7 7	N	1 0 0	4 2 2 3 3 5		4 2 2 3 5	3 9 4 6	4 6 1 8 1	6 1 4 8	8 7 1
5 1 B 2 4 2 2 8 7 7	N	1 0 0	3 4 0 3 3	5 4 4 9	2 8 5 8 4	2 7 6 5	3 1 3 4 9	4 3 0 8	5 2 1
5 2 I 2 2 7 2 2 8 7 7	N	1 0 0	1 5 9 4	2 9 7 2	1 3 7 8 8 EX	3 3 0 9	1 9 3 1	5 1 5 4	6 8 2
5 3 F 1 2 8 2 2 8 7 7	N	1 0 0	6 1 1 5		6 1 1 5 5	3 6 0 2	9 7 1 7	5 6 1 2	7 6 9
5 4 M 2 2 2 2 2 8 7 7	N	1 0 0	8 9 3 1	4 1 0 5	4 8 2 6 4	3 2 4 4	8 0 7 0	5 0 5 4	6 6 3
5 5 M 1 2 2 2 2 8 7 7	N	9 0	5 9 4 2 8	1 1 0 0 7	5 0 7 9 2 EX	3 8 6 2	1 2 1 7 -	6 0 1 6	8 4 6
5 6 M 1 1 9 2 2 8 7 7	N	9 0	1 6 4 2 -		1 6 4 2 2 EX	4 3 2 5	2 6 8 3	6 7 3 7	1 1 2 5
5 7 M 1 3 3 2 2 8 7 7	N	1 0 0	1 9 5 5 9 4	2 6 1 4 8	6 5 5 4 4 EX	6 6 2 6 8	2 8 8 6 -	9 7 6 4	1 1 5 5 9
5 8 G 3 3 2 2 8 8 7 7	N	1 0 0	5 2 4 5	8 3 2 6	3 0 8 1 1 EX	2 1 9 8	8 8 3 -	3 4 2 5	3 3 5 3
5 9 K 2 9 2 2 8 8 7 7	N	1 0 0	4 4 1		4 4 1 1	1 9 8 2	2 4 2 3	3 0 8 9	2 8 9
6 0 B 1 9 9 2 2 8 8 7 7	N	1 0 0	9 2 9 6	5 0 0 2	4 2 9 4 4	2 4 4 5	6 7 3 9	3 8 0 9	4 2 6
6 1 B 1 1 9 3 2 2 8 8 7 7	N	1 0 0	3 1 1 5	4 6 0 8	1 4 9 3 3 EX	3 8 8 6	1 8 4 6	3 9 1 9	4 4 7
6 2 N 1 2 0 2 2 8 8 7 7	N	1 0 0	3 0 0 4 7	5 3 3 4	2 0 4 0 EX	4 1 9 9	5 9 2 7	6 0 5 4	9 4 6
6 3 G 1 1 0 2 2 8 8 7 7	N	1 0 0	1 0 8 7 0	8 3 1 9	1 7 2 8	3 5 5 3	1 5 9 9	6 6 5 4	9 4 6
6 4 K 1 3 3 2 2 8 8 7 7	N	1 0 0	7 8 2 2	8 3 1 9		4 6 8 5	1 3 3 2	6 7 2 9	9 4 6
6 5 M 1 1 3 2 2 8 8 7 7	N	1 0 0	1 0 0 7 9 -	1 5 4 4	2 2 5 3 EX	1 6 9 6	1 5 5 7 -	2 6 4 2	2 0 4
6 6 M 1 1 4 2 2 8 8 7 7	N	1 0 0	1 4 6 6 6 9	9 0 8 6	4 7 2 5 EX	2 3 0 5	2 4 1 9 -	3 5 9 3	3 8 5
6 7 N 1 2 2 2 2 8 8 7 7	N	1 0 0	1 3 4 7	9 2 7 4		4 7 9 7	1 0 2 1	7 4 2 2	7 7 5
6 8 I 1 1 9 2 2 8 8 7 7	N	1 0 0	1 4 6 6	8 4 0 0	9 2 7 EX	2 2 1 7 8	1 2 5 1	3 3 9 4	3 4 7
6 9 F 1 1 1 2 2 8 8 7 7	N	1 0 0	2 4 4 7 -	8 0 2 2	5 5 3 3 1	4 5 5 3	1 0 5 5 -	6 0 5 4	9 4 ●
7 0 A 1 3 9 2 2 8 8 7 7	N	1 0 0	1 3 9 8 8	1 5 5 3	2 4 0 EX	2 0 4 7 5	6 8 5 5	3 2 3 3	5 5 3
7 1 G 1 4 5 8 2 2 8 8 7 7	N	1 0 0	1 5 3 9	1 0 0 8	4 9 1	4 6 8 5	1 3 3 2	6 7 2 9	9 4 6
7 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	1 0 0 0	1 0 0 0		2 6 1 0	1 3 4	4 0 6 6	9 4 6
7 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 7 9 7	1 0 1 9	7 4 7 2	7 7 5
7 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
7 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
7 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
7 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
7 8 I G 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
7 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 0 A G 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 1 G 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 2 A G 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 3 A G 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 4 A G 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 5 K 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 7 B M 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 8 N 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
8 9 I 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 1 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 8 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
9 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 1 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 8 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 0 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 1 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 8 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 1 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 1 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 8 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 2 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 1 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 8 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 3 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 1 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 2 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 3 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 4 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 5 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 6 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 7 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 8 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 4 9 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4
1 5 0 A 1 1 1 2 2 2 8 8 7 7	N	1 0 0	9 9 0 0	9 9 0 0		4 5 5 3	1 0 8 0	7 4 0 5	9 4 4

DESCRIPTION	ACREAGE FACTOR	STATUS	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1	0000	X	1	1		1	1	1	1
2	0000	X	1	1		1	1	1	1
3	0000	X	1	1		1	1	1	1
4	0000	X	1	1		1	1	1	1
5	0000	X	1	1		1	1	1	1
6	0000	X	1	1		1	1	1	1
7	0000	X	1	1		1	1	1	1
8	0000	X	1	1		1	1	1	1
9	0000	X	1	1		1	1	1	1
10	0000	X	1	1		1	1	1	1
11	0000	X	1	1		1	1	1	1
12	0000	X	1	1		1	1	1	1
13	0000	X	1	1		1	1	1	1
14	0000	X	1	1		1	1	1	1
15	0000	X	1	1		1	1	1	1
16	0000	X	1	1		1	1	1	1
17	0000	X	1	1		1	1	1	1
18	0000	X	1	1		1	1	1	1
19	0000	X	1	1		1	1	1	1
20	0000	X	1	1		1	1	1	1
21	0000	X	1	1		1	1	1	1
22	0000	X	1	1		1	1	1	1
23	0000	X	1	1		1	1	1	1
24	0000	X	1	1		1	1	1	1
25	0000	X	1	1		1	1	1	1
26	0000	X	1	1		1	1	1	1
27	0000	X	1	1		1	1	1	1
28	0000	X	1	1		1	1	1	1
29	0000	X	1	1		1	1	1	1
30	0000	X	1	1		1	1	1	1
31	0000	X	1	1		1	1	1	1
32	0000	X	1	1		1	1	1	1
33	0000	X	1	1		1	1	1	1
34	0000	X	1	1		1	1	1	1
35	0000	X	1	1		1	1	1	1
36	0000	X	1	1		1	1	1	1
37	0000	X	1	1		1	1	1	1
38	0000	X	1	1		1	1	1	1
39	0000	X	1	1		1	1	1	1
40	0000	X	1	1		1	1	1	1
41	0000	X	1	1		1	1	1	1
42	0000	X	1	1		1	1	1	1
43	0000	X	1	1		1	1	1	1
44	0000	X	1	1		1	1	1	1
45	0000	X	1	1		1	1	1	1
46	0000	X	1	1		1	1	1	1
47	0000	X	1	1		1	1	1	1
48	0000	X	1	1		1	1	1	1
49	0000	X	1	1		1	1	1	1
50	0000	X	1	1		1	1	1	1
51	0000	X	1	1		1	1	1	1
52	0000	X	1	1		1	1	1	1
53	0000	X	1	1		1	1	1	1
54	0000	X	1	1		1	1	1	1
55	0000	X	1	1		1	1	1	1
56	0000	X	1	1		1	1	1	1
57	0000	X	1	1		1	1	1	1
58	0000	X	1	1		1	1	1	1
59	0000	X	1	1		1	1	1	1
60	0000	X	1	1		1	1	1	1

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE			JULY		AUGUST	ACREAGE OR DELIVERABILITY
			BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	
15 KZ 22 99 66	ZZZZZZ	1.0000	2576525	7061	1870424	6652	2535526	1036333	16733
16 NZ 3 22 99 66	ZZZZZZ	1.0000	1714828	4732	1241616	5883	1828255	0909636	14332
17 AZ 1 22 99 66	ZZZZZZ	1.0773	1591813		1591813	5024	2093377	0782656	17411
18 M 5 22 99 66	ZZZZZZ	1.0000	552887	10713	542626 EX	3447	1979 9-	537070	7223
19 B 8 22 99 66	ZZZZZZ	1.0000	791383	1293	662200	2192	881282	341505	3511
20 KA 8 22 99 66	ZZZZZZ	1.0000	543352	7333	190201 EX	4422	2552 1-	689899	10131
21 AA 1 22 99 66	ZZZZZZ	1.0000	235566	8744	638867 EX	4488	1902 2-	698899	10311
22 KA 1 22 99 66	ZZZZZZ	1.0772	1812252-		1812252 EX	4673	1344 9-	728807	11625
23 KA 1 22 99 66	ZZZZZZ	1.0000	88111		88111	5320	61311	822871	12788
24 AA 1 22 99 66	ZZZZZZ	1.0000	823656	11268	303252 EX	2678	3544-	417113	4955
25 BA 3 22 99 66	ZZZZZZ	1.0000	1011155		1011155	4412	1452 7	680739	10099
26 KA 1 22 99 66	ZZZZZZ	1.0000	1341175	2732	1068 5	9001	1968 6	1402 1	23698
27 KA 3 22 99 66	ZZZZZZ	1.0000	309558			3443	443 3	3443	15858
28 NA 4 22 99 66	ZZZZZZ	1.0000	440088	6524	211 6 EX	4074	1955 8	6347	19059
29 NA 3 22 99 66	ZZZZZZ	1.0000	2922001	15516	136855	8002	2168 7	1246 5	20733
30 MA 1 22 99 66	ZZZZZZ	1.0000	122700		122700	8124	9394	1266 5	21099
31 MA 1 22 99 66	ZZZZZZ	1.0000	170202-		170202 EX	2627	9255	404 3	4880
32 AA 1 22 99 66	ZZZZZZ	1.0086	3198871	2148 6	1055014	7472	1 9773	1164 0	19164
33 AA 1 22 99 66	ZZZZZZ	1.0000	1169918	1745 5	576 4 EX	4332	1 443 2-	674 8	11994
34 AA 1 22 99 66	ZZZZZZ	1.0000	1700998	933 9	775 9 EX	7671	1 543 0	1195 0	19755
35 MA 1 22 99 66	ZZZZZZ	1.0000	37336	977 6	604 0 EX	6109	69	951 7	15122
36 IA 1 22 99 66	ZZZZZZ	1.0000	1146 2	671 3	474 9	2813	7 562	433 8	5355
37 AA 1 22 99 66	ZZZZZZ	1.0000	1141153	1998 4	587 3 EX	5731	1 422-	892 8	14008
38 NA 1 22 99 66	ZZZZZZ	1.0000	1294538-	2625 3	32005 8 EX	6227	942 7-	970 1	15477
39 BA 1 22 99 66	ZZZZZZ	1.0000	1295678		4469 9	7175	1164 4	1117 8	18288
40 IA 2 22 99 66	ZZZZZZ	1.0773	2074 3	2055 5	1885	4643	483 1	723 2	15866
41 AA 2 22 99 66	ZZZZZZ	1.0773	944 7	678 5	266 2	3097	575 9	482 5	9599
42 IA 2 22 99 66	ZZZZZZ	1.0000	774 9	643 6	135 6	4047	540 3	633 5	9901
43 GA 2 22 99 66	ZZZZZZ	1.0000	385 5	178 7	207 6	1884	394 9	233 1	2559
44 NA 2 22 99 66	ZZZZZZ	1.0000	515 7	1054 6	538 9 EX	1665	372 4-	295 5	1959
45 KA 2 22 99 66	ZZZZZZ	1.0000	1235 5	1691 1	1567 6 EX	3005	1267 1-	468 1	15929
46 IA 2 22 99 66	ZZZZZZ	1.0000	5774 2	1171 6	5 55 9 EX	4961	1	1176	17709
47 BA 2 22 99 66	ZZZZZZ	1.0000	3728 8		2228 8 EX	3712	2	3309	33101
48 NA 2 22 99 66	ZZZZZZ	1.0000	6660		6660 EX	3860	1	5780	19269
49 KA 2 22 99 66	ZZZZZZ	1.0000	1667 6	2024 0	3564 EX	4600	8	7132	11026
50 AA 2 22 99 66	ZZZZZZ	1.0000	6622	691 5	6731 EX	4773	9	7411	11523
51 AA 2 22 99 66	ZZZZZZ	1.0000	6472	7113	6413	9443	1469 4	2499	13977
52 AA 2 22 99 66	ZZZZZZ	1.0000	2376 1	4392	2801 EX	5551	8859	1334	19767
53 AA 2 22 99 66	ZZZZZZ	1.0000	1976 1	6552	2822 EX	5538	8324	1239	19297
54 AA 2 22 99 66	ZZZZZZ	1.0000	6512	8042	1868 EX	6644	5590	1003	16136
55 AA 2 22 99 66	ZZZZZZ	1.0000	1055	6854	5799 EX	6622	8552	1667	19919
56 AA 2 22 99 66	ZZZZZZ	1.0000	1055	4551	3496 EX	6667	3960	1681	19757
57 AA 2 22 99 66	ZZZZZZ	1.0000	1884	5522	3638 EX	7145	6622	1881	17557
58 AA 2 22 99 66	ZZZZZZ	1.0000	7878	7445	433 EX	3562	1	1355	13344
59 AA 2 22 99 66	ZZZZZZ	1.0000	4006	1891	2115	2889	1 3412	3524	35240
60 AA 2 22 99 66	ZZZZZZ	1.0000	2001	883	1118	5660	1266 8	973	9736
61 AA 2 22 99 66	ZZZZZZ	1.0000	2114	1334	780	6450	1 9505	1361	13613
62 AA 2 22 99 66	ZZZZZZ	1.0000	4180	8382	202	5989	1	1	1
63 AA 2 22 99 66	ZZZZZZ	1.0000	4706	6245	461 EX	4685	5523	1097	10900
64 AA 2 22 99 66	ZZZZZZ	1.0000	3524	4536	1012 EX	3605	4547-	776	7700
65 AA 2 22 99 66	ZZZZZZ	1.0000	1285	2485	1285 EX	6436	2809-	1027	16097
66 AA 2 22 99 66	ZZZZZZ	1.0000	1286	4575	1689 EX	1049	231-	1635	1331
67 AA 2 22 99 66	ZZZZZZ	1.0000	219 1	3350	1159 EX	1753	64	2731	2211
68 AA 2 22 99 66	ZZZZZZ	1.0000	6217 7-	8621	X07079 8 EX	1187	28	1850	1588
69 AA 2 22 99 66	ZZZZZZ	1.0000	494	1666	1172 EX	3781	6701 7-	5890	8455
70 AA 2 22 99 66	ZZZZZZ	1.0000				1453	281	2264	1322

BLANCO MESAVERDE POOL EL PASO SYSTEM CTD — JUNE

YEAR: 1963 — JULY — AUGUST — PAGE: 48

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ‡	MCF PRODUCTION	OVER/UNDER PRODUCTION ‡	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ‡	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1	ZZZZ	000000	1550	970	880	2400	1595	2244	1176
2	ZZZZ	000000	1926	3515	2355	2088	1929	2222	2169
3	ZZZZ	000000	3236	5923	3009	2245	2268	2222	4936
4	ZZZZ	000000	3373	2992	2736	2245	2268	2222	4936
5	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
6	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
7	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
8	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
9	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
10	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
11	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
12	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
13	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
14	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
15	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
16	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
17	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
18	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
19	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
20	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
21	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
22	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
23	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
24	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
25	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
26	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
27	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
28	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
29	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
30	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
31	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
32	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
33	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
34	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
35	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
36	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
37	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
38	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
39	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
40	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
41	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
42	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
43	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
44	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
45	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
46	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
47	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
48	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
49	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
50	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
51	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
52	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
53	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
54	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
55	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
56	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
57	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
58	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
59	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
60	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
61	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
62	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
63	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
64	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
65	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
66	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
67	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
68	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
69	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
70	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
71	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
72	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
73	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
74	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
75	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
76	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
77	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
78	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
79	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
80	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
81	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
82	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
83	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
84	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
85	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
86	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
87	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
88	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
89	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
90	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
91	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
92	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
93	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
94	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
95	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
96	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
97	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
98	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
99	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936
100	ZZZZ	000000	1922	3009	2736	2245	2268	2222	4936

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
[illegible]	[illegible]	[illegible]	JUNE	JUNE	JUNE	JULY	JULY	AUGUST	AUGUST

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1L2730 6	N	100	14654		14654	6484	21138	10100	1623
2B2730 6	N	100	4384-		4384EX	1547	2837-	2411	160
3M2230 6	N	100	8390	1571	6819	3582	10401	5580	763
4B3030 6	N	100	1746	651	1095	2050	3145	3194	309
5K2130 6	N	100	14700	10936	3764	3801	7565	5922	828
6M2930 6	N	100	369	1116	747EX	1432	685	2232	126
7H2130 6	N	100	35021	33379	1642	7361	9003	11467	1883
8H2930 6	N	100	14002	3124	10878	11646	22524	18142	3153
30 6 KIDD A									
1H3430 6	N	100	25392	10022	15370	6291	21661	9801	1566
2K3030 6	N	100	3269	4080	811EX	1524	713	2374	153
3N3130 6	N	100	752-	4239	4991EX	2009	2982-	3131	297
30 6 KIDD C									
1A2830 6	N	100	31198	11824	19374	6912	26286	10768	1750
30 6 KIDD D									
1A3130 6	N	100	17343	20004	2661EX	6399	3738	9969	1598
30 6 KIDD E									
1N3430 6	N	100	327-		327EX	10853	10526	16907	2918
30 6 KIDD F									
X01M2830 6	N	100	16390	7802	8588	10219	18807	15919	2730
30 6 KINNEAR									
1M2530 6	N	100	13624	12575	1049	5154	6203	8029	1229
30 6 MANNING A									
1L2030 6	N	100	3233	5170	1937EX	7904	5967	12313	2044
30 6 MCCULLEY A									
1H1430 7	N	100	2764-	1817	4581EX	2391	2190-	3725	410
2M1230 7	N	100	28184	5959	22225	8029	30254	12508	2081
3H1330 7	N	100	29674	3727	25947	13286	39233	20696	3639
30 6 MCELVAIN									
1B2230 7	N	100	16693	7860	8833	3548	12381	5527	753
2M2230 7	N	100	5511	4061	1450	9156	10606	14263	2415
30 6 MCELVAIN A									
1A2330 7	BN	100	6284-		6284EX	4989	1295-	7772	1180
2K2330 7	IN	100	21671-	19690	41361EX	4712	36649-	7341	1098
3H2430 7	IN	100	9073	5295	3778	1648	5426	2568	190
4K2430 7	IN	100	1419	687	732	1905	2637	2968	266
5A2530 7	IN	100	3453	7609	4156EX	1648	2508-	2568	190
6L2530 7	IN	100	8088	4892	3196	1976	5172	3078	287
30 6 MCPHERSON									
1L1730 6	N	100	4964	2118	2846	2296	5142	3578	382
2A1730 6	N	100	22164	1872	20292	6328	26620	9858	1577
30 6 PETERS									
1A1530 7	N	100	2248-	13479	15727EX	2806	12921-	4371	533
2M1130 7	N	100	11568	2503	9065	4442	13507	6920	1018
30 6 PHILLIPS ST									
1L1630 6	N	100	73493-		X073493EX	4463	69030-	6952	1024
30 6 PNW STATE									
1G3630 7	N	100	27651	16326	11325	7628	18953	11882	1962
30 6 PUBCO ST									
1L3630 7	N	100	2080	1813	267	1955	2222	3047	281
30 6 SEYMOUR									
1K 730 6	N	100	9968	7210	2758	2701	5459	4208	502
30 6 TURNER ST									
3H3630 6	N	72	5986	1703	4283	1778	6061	2770	434
4L3630 6	N	100	4128	8493	4365EX	3167	1198-	4934	640
30 6 WHITLEY B									
1A2830 7	N	100	10828	2744	8084	1638	9722	2553	187
2H3330 7	N	100	49486-	18075	X067561EX	4847	62714-	7551	1138
3K3330 7	N	100	2422	598	1824	2411	4235	3756	416
4N2830 7	N	100	14038-		14038EX	2583	11455-	4024	467
30 6 WILSON									
1M2630 7	N	100	14380	2954	11426	1466	12892	2285	136
2B2630 7	N	100	8936	12316	3380EX	2023	1357-	3152	301
3G2730 7	N	100	1295-	111	1406EX	3008	1602	4687	593
4G3430 7	IN	100	2980-		2980EX	2074	906-	3231	316
5M3430 7	N	100	318-	1319	1637EX	1773	136	2763	227
6N3530 7	BN	100	8648	12293	3645EX	3282	363-	5112	674

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
7H3530 7	IN	100	1188-	1100	2288 EX	2586	298	4030	468
30 6 S J U MESA									
1G 930 6	XM	100				42	42	42	14
3M2430 6	M	100	1795	1795		1611	1611	1611	105
4A3530 6	N	100	2091	1589	502	2421	2923	3772	419
5N3530 6	N	100	11495	10023	1472	4388	5860	6836	1002
7L3030 7	N	65	14133-		14133 EX	8807	5326-	13719	3717
8L3130 7	N	66	3375-		3375 EX	9127	5752	14218	3800
9G3030 7	N	100	4190		4190	3869	8059	6027	848
10B3130 7	N	100	9412	9978	566 EX	6140	5574	9564	1521
11L2330 6	N	100	5897	3266	2631	1581	4212	2463	170
12M2630 6	N	100	6590	16370	9780 EX	7837	1943-	12208	2024
13G3230 6	N	100	2615	2316	299	2158	2457	3362	341
14N3230 6	N	100	21013	8953	12060	5087	17147	7924	1209
15L2930 7	N	100	10877		10877	5104	15981	7951	1214
16H2630 6	N	100	14265	2274	11991	4702	16693	7325	1095
17N1830 6	N	100	20560-	3016	23576 EX	14737	8839-	22956	4069
18A1830 6	N	100	8099	1824	6275	6703	12978	10442	1688
24B1630 6	N	100	9011	212	8799	4712	13511	7341	1098
25H1930 6	N	100	47329	53540	6211 EX	12459	6248	19409	3394
26M1930 6	N	100	18091	5765	12326	9460	21786	14736	2505
27H2330 6	M	100	2274	2274		2719	2719	2719	137
28B3330 6	N	100	15211	2655	12556	6990	19546	10889	1773
29B1230 6	N	71	1396		1396	1488	2884	2318	323
30G2030 6	N	100	27549		27549	9224	36773	14368	2435
31N3330 6	N	100	8860		8860	7364	16224	11472	1884
32H 730 6	N	100	13846	18628	4782 EX	6140	1358	9564	1521
33N 830 6	N	100	1232	1334	102 EX	2492	2390	3882	440
34M1030 6	N	100	2384		2384	1729	4113	2695	214
35B2430 6	N	71	7184	1777	5407	1201	6608	1871	203
36G 830 6	N	100	5135	6643	1508 EX	2738	1230	4266	513
37B1030 6	N	100	4382	1533	2849	1524	4373	2374	153
38M2730 7	N	100	6073	5710	363	1905	2268	2968	266
31 6 SAN JUAN UNIT									
2M2831 6	XM	100				202	202	202	
4A 430 6	XM	100	420	420		528	528	528	21
5K3131 6	M	100	2013	2013		2859	2859	2859	186
6L 130 7	N	100	5053	2257	2796	3045	5841	4744	604
7G 130 7	M	100	2691	2691		3821	3821	3821	260
8L 630 6	N	100	3439-	760	4199 EX	2209	1990-	3441	356
9A2731 6	M	100	2290	2290		2851	2851	2851	495
10N3231 6	M	100	1406	1406		2267	2267	2267	208
11A3131 6	M	100	2165	2165		2718	2718	2718	156
12N 230 6	N	100	5302	3756	1546	1989	3535	3099	291
13L 430 6	N	100	6428	1563	4865	1284	6149	2001	82
14M 530 6	M	100	2944	2944		3617	3617	3617	439
15H 230 6	N	100	3900	6916	3016 EX	1918	1098-	2989	270
16N3331 6	N	100	9851	1971	7880	1459	9339	2274	134
17N 130 6	N	100	12454	1623	10831	1544	12375	2405	159
18K 330 6	M	100	1225	1225		1387	1387	1387	121
19A3231 6	M	100	2247	2247		2602	2602	2602	211
20B 330 6	N	100	2815	2420	395	2576	2971	4014	465
22G 530 6	N	100	11291	2172	9119	2371	11490	3693	404
23G3431 6	N	100	5057-		5057 EX	2512	2545-	3914	446
31 8 BLANCO UNIT									
1L3531 8	N	100	31006	6357	24649	10840	35489	16886	2914
2N 531 8	N	100	6071	4294	1777	2043	3820	3183	307
3A3531 8	N	100	17992	3819	14173	5566	19739	8671	1351
4M2631 8	N	100	11244	3015	8229	4216	12445	6568	951
5G2631 8	N	100	1233	12542	11309 EX	5110	6199-	7961	1216
32 7 SAN JUAN UNIT									
5H 831 7	M	100	1118	1118		1594	1594	1594	68
7M1732 7	XM	100				57	57	57	
8L1731 7	M	100	1531	1531		2306	2306	2306	184
9G2232 7	N	100	18884-		18884 EX	4294	14590-	6689	974
10N3232 7	N	100	390	974	584 EX	1382	798	2153	111
11H2032 7	M	100	35	35		3433	3433	3433	256

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
13N1632 7	N	100	6584	3459	3125	1335	4460	2080	97
14H2832 7	M	100	1535	1535		2718	2718	2718	105
15M3432 7	M	100	995	995		1499	1499	1499	66
16H1732 7	N	100	1409	216	1193	4051	5244	6311	902
17A1731 7	M	100	1827	1827		2543	2543	2543	425
18I 531 7	N	100	2469	4390	1921 EX	2063	142	3215	313
19N 431 7	N	100	349	1578	1229 EX	1807	578	2815	237
22N2932 7	XM	100	319	319		296	296	296	
36K 832 7	NC	93	15815-	12586	28401 EX	4675	23726-	7284	1191
37L 932 7	NC	93	12904-	5633	18537 EX	3245	15292-	5055	736
32 8 SAN JUAN UNIT									
1G2331 8	TN	100	892	1120	228 EX	1000	772	1000	3
2N2932 8	XM	100	398	398		512	512	512	40
3K1732 8	XM	100	455	455		521	521	521	34
5N1031 8	XM	100	583	583		715	715	715	
6H3532 8	XM	100	504	504		532	532	532	30
7N2231 8	N	100	4092	1231	2861	2870	5731	4471	552
8H2231 8	N	100	6045	3263	2782	1675	4457	2610	198
9L2032 8	XM	100	976	976		976	976	976	67
10H2431 8	M	100	2278	2278		2294	2294	2294	44
11G2131 8	N	100	11647	3228	8419	5778	14197	9002	1414
12M2131 8	N	100	19483	5226	14257	8053	22310	12544	2088
13M 931 8	N	100	12845	3506	9339	1696	11035	2642	204
14K3432 8	M	100	2092	2092		2216	2216	2216	97
15M2431 8	N	100	3768	1326	2442	2138	4580	3330	335
16M1531 8	N	100	5579	5090	489	2128	2617	3315	332
17M2331 8	N	100	970	2856	1886 EX	2580	694	4019	466
19M 331 8	M	100	1317	1317		2576	2576	2576	111
20L 431 8	XM	100	353	353		482	482	482	6
21A1531 8	N	100	4014	4122	108 EX	1777	1669	2768	228
22A 431 8	M	100	1335	1335		1683	1683	1683	244
23N1431 8	N	100	9117	3909	5208	1571	6779	2447	167
24A1932 8	XM	100	582	582		802	802	802	6
25B3332 8	N	100	11035	645	10390	1507	11897	2348	148
26M1631 8	N	100	377-	1062	1439 EX	1851	412	2884	250
28G1631 8	M	100	3901	3901		5002	5002	5002	306
30M2732 8	TN	100	190	1154	964 EX	1000	36	1000	84
31L2232 8	N	100	4584	2904	1680	1530	3210	2384	155
33A 931 8	N	100	4161	4639	478 EX	2330	1852	3630	392
32 9 SAN JUAN UNIT									
1L1831 9	N	64	5939		5939	1930	7869	3007	595
2J3032 9	N	100	242	1554	1312 EX	1432	120	2232	126
3A 13110	N	100	1799-	3312	5111 EX	1537	3574-	2395	157
4H123110	N	100	4300		4300	3602	7902	5612	769
5K1531 9	N	100	23978-		23978 EX	5957	18021-	9280	1467
6B1531 9	N	100	17120	5204	11916	6288	18204	9795	1565
7M3232 9	N	100	7375	5381	1994	3217	5211	5012	655
8A2032 9	XM	100	471	471		519	519	519	28
9N253210	N	100	1737	3983	2246 EX	1446	800-	2253	130
12M1031 9	N	100	6638	5894	744	2711	3455	4224	505
13G143110	N	100	13012-		13012 EX	6754	6258-	10521	1703
14A 931 9	N	100	3238	4433	1195 EX	1436	241	2237	127
15L 931 9	N	100	5534	4454	1080	1901	2981	2963	265
16H 831 9	N	100	3920		3920	2300	6220	3583	383
17K 831 9	N	100	4213	5794	1581 EX	2586	1005	4030	468
18L1731 9	N	100	27903	18866	9037	6885	15922	10726	1742
19H1731 9	N	100	30088	11296	18792	7078	25870	11025	1799
20A1831 9	N	100	9409	6908	2501	3676	6177	5727	791
21M113110	N	100	7953-		7953 EX	5050	2903-	7866	1198
22L143110	N	100	6612-		6612 EX	8124	1512	12655	2109
23M 531 9	N	100	16326-	6805	23131 EX	5309	17822-	8271	1275
24A 531 9	M	100	1503	1503		5351	5351	5351	784
25G 23110	N	100	109491-		X109491 EX	5542	103949-	8634	1344
26L 13110	N	100	22073-		22073 EX	4601	17472-	7167	1065
27M233210	N	100	6372	3120	3252	1939	5191	3020	276
28K263210	N	100	1003-		1003 EX	4010	3007	6248	890
29M363210	N	100	22849-	13073	35922 EX	7827	28095-	12192	2021

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
			JUNE	JUNE	JUNE	JULY	JULY	AUGUST	
GREATER LAKE FEDERAL 1	GW	1.00	CORPORATION				CORPORATION		
GREATER LAKE FEDERAL 2	GW	1.00	1722	610	438	306	1313	1313	611
GREATER LAKE FEDERAL 3	GW	1.00	338	64	274	209	364	364	321
GREATER LAKE FEDERAL 4	GW	1.00	1538	NATURAL GAS CORPORATION	1538	345	1931	1931	726
WESTERN DRILLING COMPANY	GW	1.00	42766	4037	2399	1854	9347	9347	2336
			27157	2557	4581	1553	5427	5427	1133
			5437	1305	761	348	2557	2557	714
PUBLIC SERVICE COMPANY OF NEW MEXICO	GW	1.00	531	531	1349	1749	1749	1749	399

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
FRANCIS L. HARVEY									
HARVEY STATE									
1A 22 9 8	N	102	20436	26539	6103 EX	5292	811-	8245	1239
HUMBLE OIL AND REFINING COMPANY									
NORTH LINDRITH GAS UNIT									
1M 20 26 2	N	10●	7620	2154	5466	1378	6844	2148	11●
INTERNATIONAL OIL AND GAS CORPORATION									
MKL FEDERAL									
1M 5 26 7	XM	100	441	441		210	210	210	14
1 7L 6 26 7	XM	100	526	526		699	699	699	35
LA PLATA GATHERING SYSTEM INC.									
32 5 SAN JUAN SECTION 16									
4B 16 32 6	XM	10●	96	96		227	227	227	
32 5 SAN JUAN SECTION 23									
2H 23 32 6	N	10●	30639	7067	23572	5924	29496	9228	1457
32 5 SAN JUAN SECTION 24									
2G 24 32 6	N	100	6288	1461	4827	1257	6084	1959	74
3L 24 32 6				3369	3369 EX		3369-		
32 5 SAN JUAN SECTION 25									
1M 25 32 6	N	100	11553			11553	2853	14406	4445	547
2B 25 32 6	N	100	4972	4410	562	1848	2410	2878	249
32 5 SAN JUAN SECTION 26									
1C 26 32 6	N	100●	1905	2947	1042 EX	1513	471	2358	15●
2H 26 32 6	N	100●	9810	3972	5838	3062	8900	4771	609
32 5 SAN JUAN SECTION 27									
2D 27 32 6			4454-	17586	22040 EX		22040-		
32 5 SAN JUAN SECTION 31									
1A 31 32 5	N	108	4902	11010	6108 EX	3581	2527-	5579	684
32 5 SAN JUAN SECTION 32									
1N 32 32 5	N	10●	4509	6725	2216 EX	2020	196-	3147	30●
LAKELAND PETROLEUM CORPORATION									
HEDGES 1 I AND 2 A COMBINED									
1I 23 31 12									671
2A 23 31 12									1718
1I 2A 23 31 12	N	100●	95437-		X095437 EX	6804	88633-	10600	1718
MARKHAM OIL									
MADDOX WALLER UNIT									
1 15 32 11	N	100	44923	16651	28272	12578	40850	19593	3429
MADDOX WALLER									
1L 14 32 11	N	100	12972	23373	10401 EX	10189	212-	15871	2721
WALLER UNIT									
1M 11 32 11	N	104	3941	7112	3171 EX	3302	131	5144	642
MARATHON OIL COMPANY									
OHIO GOVERNMENT NO 8									
1N 8 31 12	N	100	12648	12895	247 EX	6956	6709	10836	1763
OHIO GOVERNMENT NO 18									
1A 18 31 12	N	100●	572-	2438	3010 EX	1459	1551-	2274	134
OHIO GOVERNMENT NO 20									
1A 20 31 12	N	100	14597	3055	11542	2421	13963	3772	419
HUGH MCMILLAN									
MADDOX FEDERAL									
1N 10 32 11	N	105	20360	29781	9421 EX	5687	3734-	8859	1307
NORTHWEST PRODUCTION CORPORATION									
UICARILLA									
2H 33 26 3	N	100	3519	2859	660	1459	2119	2274	134
3N 34 26 3	N	100●	1145-	507	1652 EX	1750	98	2726	22●
5M 28 26 3	N	100●	1864	2474	610 EX	1537	927	2395	157
14A 10 26 3	N	100	2790	1250	1540	2816	4356	4387	536
UICARILLA									
4H 6 26 4	N	100●	1612	145	1467	1497	2964	2332	145
5L 6 26 4	N	103	1043	2563	1520 EX	1453	67-	2263	119

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
7A 8 2 6 4	M	1 0 0	1 3 5 4	1 3 5 4		1 8 6 3	1 8 6 3	1 8 6 3	5 6
8M 8 2 6 4	N	1 0 0	8 4 4 9	1 7 7 6	6 6 7 3	1 2 9 4	7 9 6 7	2 0 1 6	8 5
1 0 L 7 2 6 4	N	1 0 3	7 7 3 4	3 7 0 0	4 0 3 4	1 9 8 9	6 0 2 3	3 0 9 9	2 7 4
U I C A R I L L A	W								
1M 7 2 6 5	X M N	1 0 0	4 1 3	4 1 3		5 0 1	5 0 1	5 0 1	3 4
2B 5 2 6 5	N	1 0 0	3 8 3 4	3 2 1 4	6 2 0	5 4 0 7	6 0 2 7	8 4 2 4	1 3 0 4
B L A N C O 3 0	1 2								
1A 4 3 0 1 2	X M	1 0 0	7 3 7	7 3 7		8 8 9	8 8 9	8 8 9	2 6
O C C I D E N T A L P E T R O L E U M C O R P O R A T I O N									
E J I C A R I L L A N									
1M 2 1 2 6 3	N	1 0 0	7 2 8	4 7	6 8 1	1 4 4 6	2 1 2 7	2 2 5 3	1 3 0
2K 2 7 2 6 3	X M	1 0 0	4 8 5	4 8 5		7 9 5	7 9 5	7 9 5	2 5
W L J I C A R I L L A									
1A 6 2 6 5	N	1 0 0	2 8 8 8 4 -		2 8 8 8 4 EX	4 5 8 4	2 4 3 0 0 -	7 1 4 1	1 0 6
1M 8 2 6 5	N N	1 0 0	8 4 8 2	2 1 8 4	6 2 9 8	1 4 1 9	7 7 1 7	2 2 1 1	1 2 2
4K 6 2 6 5	N	1 0 0	7 4 0 7	6 4 8 1	9 2 6	3 0 1 5	3 9 4 1	4 6 9 7	5 9 5
P A N A M E R I C A N P E T R O L E U M C O R P O R A T I O N									
A R C H U L E T A G A S U N I T A									
1K 5 2 9 9	S N	1 0 0	2 9 6 9 -	3 5 1	3 3 2 0 EX	6 2 6 4	2 9 4 4	9 7 5 9	1 5 5 8
B O Y D G A S U N I T F E D E R A L	N	1 0 0							
1M 8 3 1 1 G A S U N I T	N	1 0 0	1 8 9 8 2 -	2 7 3 8	2 1 7 2 0 EX	1 1 4 6 1	1 0 2 5 9 -	1 7 8 5 3	3 0 9 8
C A N E P L E E G A S U N I T	N	1 0 0							
1N 1 8 3 1 1 G A S U N I T A	N	1 0 0	9 7 1 6 -	1 8 8 0	1 1 5 9 6 EX	6 9 1 2	4 6 8 4 -	1 0 7 6 8	1 7 5
C H A V E S G A S U N I T A	N	1 0 0							
1G 3 2 9 9	N	1 0 1	6 9 3 5	3 1 8	6 6 1 7	6 6 5 2	1 3 2 6 9	1 0 3 6 3	1 6 5 3
C O L E G A S U N I T A	N	1 0 1							
1K 1 5 2 9 9	N N	9 5	1 6 8 6 0	2 6 3 1 3	9 4 5 3 EX	5 2 7 3	4 1 8 0 -	8 2 1 4	1 3 4 6
E A L U M G A S U N I T	S	1 G							
1H 3 3 2 1 0	N N	1 0 0	8 8 5 -	3 0 7	1 1 9 2 EX	4 3 5 1	3 1 5 9	6 7 7 8	9 9 1
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T A	4 1 1	1 6 2	3 7 8 8	3 9 5 0	5 9 0 1	8 2 4
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T B	9 5 2 6	7 4 7 7	2 0 4 9	7 3 9 8	9 4 4 7	1 1 5 2 5	2 0 0 9
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T C	1 0 2 6 -	2 4 9	1 2 7 5 EX	5 9 4 7	4 6 7 2	9 2 6 5	1 4 6 4
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T D	1 5 5 6	2 3 0	1 3 2 6	5 9 3 0	7 2 5 6	9 2 3 8	1 4 5 9
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T E	8 8 7 4	4 3 7	8 4 3 7	1 2 8 6 4	2 1 3 0 1	2 0 0 3 9	3 5 1 4
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T F	2 3 4 8 0	1 9 6 2 4	3 8 5 6	1 1 5 0 1	1 5 3 5 7	1 7 9 1 6	3 1 1 0
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T G	9 1 4 1	3 9 6	8 7 4 5	1 0 8 2 0	1 9 5 6 5	1 6 8 5 4	2 9 0 8
E L U I D I K I G I N A I A I N B A H M B K K L K A K E H K	S N N N N N N N N	1 0 0 0 0 0 0 0 0	T H	3 4 4 8	4 5 2	2 9 9 6	7 8 2 0	1 0 8 1 6	1 2 1 8 2	2 0 1 9
A E D E R A L									
1K 1 1 1 1 9	S T	1 0 0	1 1 9 5 4	1 1 0 6 7	8 8 7	6 6 2 9	7 5 1 6	1 0 3 2 6	1 6 6 6
A E D E R A L									
1K 1 1 1 1 9	S T	1 0 0	2 5 0 0 6	3 3 8 5 9	8 8 5 3 EX	8 5 1 2	3 4 1 -	1 3 2 5 9	2 2 2 4
2K 1 1 1 1 9	S T	1 0 0	1 8 4 0 6	2 5 4 1 3	7 0 0 7 EX	7 4 3 2	4 2 5	1 1 5 7 7	1 9 0 4
A E D E R A L									
1F 1 2 2 2 9	T	1 0 0	1 2 6 7 9	1 3 3 5 5	6 7 6 EX	4 0 7 1	3 3 9 5	6 3 4 2	9 5 8
A E D E R A L									
1F 1 2 2 2 9	T	1 0 0	2 0 4 8 6 -	4 6 4	2 0 9 5 0 EX	7 6 5 5	1 3 2 9 5 -	1 1 9 2 4	1 9 7 0
2E 1 1 1 1 5	T	1 0 0	1 4 9 1 6	5 8 2 7	9 0 8 9	8 9 4 3	1 8 0 3 2	1 3 9 3 2	2 3 5 2
E E D E R A L									
1E 1 1 1 1 5	T	1 0 0	4 5 0 7	1 5 8	4 3 4 9	7 8 9 1	1 2 2 4 0	1 2 2 9 2	2 0 4 0
E E D E R A L									
1E 2 2 2 7 3	N N	1 0 0	3 6 5 2 -	4 0 3	4 0 5 5 EX	1 0 7 2 5	6 6 7 0	1 6 7 0 7	2 8 8 0
2R 2 2 2 6 3	N N	1 0 0	2 0 5 6	4 0 0	1 6 5 6	1 3 0 0 6	1 4 6 6 2	2 0 2 6 0	3 5 5 6
K A K E H K	S N	1 0 0	8 3 4 4	5 2 4 3	3 1 0 1	9 6 5 5	1 2 7 5 6	1 5 0 4 1	2 5 6 3
F E D E R A L	T								
1R 2 2 0 3 3	N	1 0 0	1 6 8 8	3 2 1 5	1 5 2 7 EX	2 2 1 5	6 8 8	3 4 5 1	3 5 8
G E K A S									
1B 3 0 2 9 9	N	1 0 0	5 1 5 0	3 7 2 9	1 4 2 1	1 8 2 9	3 2 5 0	2 8 5 0	1 2 8

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
GRAMBLING 1N2029 9	B N	FEDERAL 0	2701	2156	545	1645	2190	2563	189
GUTIERREZ 1B 4229 9	G S	UNIT 0	18404	21135	2731 EX	8711	5980	13569	2283
1B 2129 9	G N	0	3574	7031	3457 EX	2860	597-	4455	549
1B 2129 9	G M	0	1240	1240		1981	1981	1981	70
W D HEATH 1K 9229 9	A N	0	6250	298	5952	3896	9848	6069	856
2A 1729 9	N N	0	3274-	139	3413 EX	2725	688-	4245	509
XO 3K 1729 9	N N	0	4855	342	4513	6271	10784	9769	1560
W D HEATH B	N N	0	1507	499	1008	7213	8221	11236	1839
HEATH 1A 3130 9	U N	0							
HEATH 1H 3230 9	U N	0	426	450	24 EX	8137	8113	12676	2113
HEATH 1G 9229 9	U N	0	18039	18934	895 EX	6177	5282	9622	1532
HEATH 1L 3029 9	U N	0	98	570	472 EX	10499	10027	16355	2943
HEATH 1G 8229 9	U N	0	8174	3886	4288	4280	8568	6668	970
HEATH 1N 8229 9	U N	0	8754	13425	4671 EX	4867	196	7583	1144
HOLMBERG 1B 2830 9	A N	0	6183	248	5935	5073	11008	7903	1205
HOUCK 1G 6229 9	U N	0	4466-	196	4662 EX	3384	1278-	5271	924
JAQUEZ 1G 5229 9	U N	0	1580-	284	1864 EX	4722	2858	7357	1101
JAQUEZ 1K 4229 9	U N	0	4907	288	4619	3653	8272	5690	784
JAQUEZ 1Q 2229 9	U N	0	2817	227	2590	1989	4579	3099	268
KEY 1Y 2329 9	U N	0	11734	5728	6006	5836	11842	9091	1431
LEE 1K 4329 9	U N	0	10612	308	10304	6274	16578	9774	1561
LIMA 1B 4329 9	U N	0	4632	481	4151	8579	12730	13364	2244
LOCKHART 1R 3229 9	U N	0	7956	5968	1988	6990	8978	10889	1773
MAHONEY 1E 3129 9	U N	0	6976-	2802	9778 EX	8859	919-	13800	2327
MAHONEY 1R 3229 9	U N	0	2876-	339	3215 EX	8805	5590	13716	2311
MCELVAIN 1E 3329 9	U N	0	21398-	3633	25031 EX	7536	17495-	11740	1935
NAVAJO 1V 2329 9	U N	0	12484	16324	3840 EX	2971	869-	4629	582
NAVAJO 1V 2329 9	U N	0	7724	2159	5565	2948	8513	4592	575
NYE 1E 2229 9	U N	0	4632	2963	1669	2633	4302	4103	445
W. RIO DEL 1D 4029 9	U N	0	774	257	517	6396	6913	9964	1597
SAN JUAN 1M 3329 9	U N	0	12376	8329	4047	5094	9141	7935	1211
SAN JUAN 1B 3229 9	U N	0	3816	90	3726	6743	10469	10505	1700
SAN JUAN 1M 2829 9	U N	0	3656-	396	4052 EX	3676	376-	5727	759
SCHLENKER 1H 3529 9	U N	0	924	1998	1074 EX	3319	2245	5170	685
SHANNON 1A 2829 9	U N	0	9980	5456	4524	3980	8504	6200	881
SHAW 1A 2429 9	U N	0	5519	267	5252	4642	9894	7231	1149

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1B1430 9	N	100	30739-	405	31144 EX	17963	13181-	27981	5025
SIMMONS FED	DEN	9301							
1A2529 9	N	9301	1113-	1035	2148 EX	2064	84-	3215	359
SIMMONS D	FED	9301							
1M3429 9	N	9301	141	141		279	279	279	
SIMMONS E	FED	9301							
1B2629 9	N	9301	3779	4819	1040 EX	1699	659	2648	243
2M2329 9	N	9301	6780	20	6760	1426	8186	2222	156
3K2429 9	N	9301	4007	2841	1166	1399	2565	2180	152
SNYDER GAS UNIT	N	9328							
1G1929 9	N	1128	1015	7042	6027 EX	4394	1633-	6845	719
STANOLIND	STN	AT E	GAS UNIT						
1G1630 8	N	1100	2121	223	1898	8215	10113	12797	2136
STANOLIND	STN	AT E	GENERAL						
1A2931 2	N	1100	2856	2856		2451	2451	2451	369
STATE GAS	UNN	1100	A						
1A1629 9	N	1100	3603	3336	267	3042	3309	4739	603
STATE GAS	UNN	1100	I						
1K 229 9	N	1100	16680	12461	4219	6247	10466	9732	1553
STATE GAS	UNN	1100	J						
1A3630 9	N	1100	6006	14076	8070 EX	8586	516	13375	2246
STATE GAS	UNN	1100	K						
1L1631 1	N	1100	143-	2137	2280 EX	1338	942-	2085	98
STATE GAS	UNN	1100	L						
1H 229 9	N	1100	51381	86158	34777 EX	26915	7862-	41926	7678
STATE GAS	UNN	1100	M						
1M1631 2	N	1100	7994	5728	2266	2171	4437	3383	345
STATE GAS	UNN	1100	N						
1H1631 2	N	1100	7185	2629	4556	5313	9869	8276	1276
STATE GAS	UNN	1100	O						
MO1H3229 9	XM	1100	1046	1046		2109	2109	2109	87
SULLIVAN GAS UNIT									
1M2-2321 0	GSU	1100	5127	220	4907	3575	8482	5570	761
SULLIVAN GAS UNIT B									
1B2-1321 0	GSU	1100	11440	326	11114	16697	27811	26010	4650
ULLIBARRI GAS UNIT									
1N3530 9	N	1500	5950	457	5493	9227	14720	14373	2436
UPTEGROVE GAS UNIT									
1G3321 0	GSU	1100	19460	10881	8579	7223	15802	11251	1842
USSELL GAS UNIT									
1B 4311 1	N	1100	19820	7797	12023	4557	16580	7099	1052
LAUGHRAY A	GSA	1100	A						
1J1829 9	N	1500	17452	17394	58	5954	6012	9275	1415
VALENTINE GAS UNIT									
1A3231 0	GSU	1100	22997	17580	5417	8694	14111	13543	2278
WALACE GAS UNIT									
1H 5311 1	N	1100	7832	2931	4901	1625	6526	2532	183
C.M. PAUL									
NICKELS									
1K1131 3	N	9801	7515	5714	1801	2499	4300	3893	457
PUBCO PETROLEUM CORPORATION									
DECKER FEDERAL									
1H1932 1	N	1000	1026-		1026 EX	7128	6102	11104	1814
HAMILTON		1000	A						
1M3321 0	N	1000	15026	10937	4089	8002	12091	12465	2073
2H3321 0	N	1000	13040-		13040 EX	11761	1279-	18321	3187
LOCKHART FEDERAL		1000							
1G1832 1	N	1000	3695	2745	950	1756	2706	2737	222
2K1832 1	N	1000	879	2365	1486 EX	1891	405	2947	262
STATE									
4G3231 9	N	1000	27322	33596	6274 EX	9470	3196	14752	2508
5H3631 9	N	1000	3141		3141	11660	14801	18163	3157
6L3631 9	N	1000	246677-	297436	50759 EX	110231	59472	171073	32370
7G3231 8	N	1000	799-	626	1425 EX	8586	7161	13375	2246
8N3632 1	N	1000	15257	172	15085	7914	22999	12329	2047

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
9A 3632 11	N	100	14561-		14561 EX	6214	8347-	9680	1543
1OM 2229 8	N	100	41893	30885	11008	111147	221555	173644	30055
111G 1622 98	N	100	17278-	719	17997 EX	5407	125900-	84244	13044
122M 3622 98	N	100	15774	13828	1946	4749	66955	73999	11099
133H 3622 98	N	100	8622-	1118	19800 EX	15551	4299-	24166	1161
144M 3633 00 2	N	100	28553	535	23318	64233	87411	100066	16055
155H 3632 21	N	100	23557	3451	10941 EX	16211	5277	25266	1822
188N 2233 00 8	N	100	237116	63255	173911	160333	334244	249755	44533
199A 2330 08	N	103	805	571	234	1915	2149	2983	252
SUTER FEE RAL									
XO 1G13 32 11	N	100	753-	1554	2307 EX	1706	601-	2658	207
XO 22K1 23 21 11	N	104	1497	2657	1160 EX	1318	158	20533	777
3G14 32 11	N	100	4531	4741	210 EX	1814	1604	28266	2399
4N15 32 11	N	100	7543	11637	4094 EX	3363	731-	52388	698
R AND G DRILLING COMPANY INCORPORATED						• • • •			
GRAHAM FEDERAL									
44B 32 7 8	N	100	1168		1168	2354	3522	3667	399
45C1 02 7 8	N	100	2236	3300	1064 EX	2451	1387	38199	428
HAMMOND FED									
411H 22 5 27 8	A	100	4187-	2107	X00629 4 EX		6294-		
43G 22 5 27 8	N	100	8289	364	7925	1584	9509	2468	171
47K 35 2 27 8	A	100	1058-	2024	X00308 2 EX		3082-		
MARRON FEDERAL									
42M 22 2 27 8	N	100	12709	2759	9950	1412	11362	2200	120
ROCK ISLAND OIL AND REFINING COMPANY INC.						• • • •			
CAIN FEDERAL									
1K2 03 11 0	N	100	8030-		8030 EX	4189	3841-	6526	943
GARDNER FED									
1M3 5 32 9	N	100	6054	2026	4028	1257	5285	1959	74
LAMBE FEDERAL									
1M2 21 31 10	N	100	27067-		27067 EX	12770	14297-	19892	3486
2A2 21 31 10	N	100	12279-		12279 EX	4250	8029-	6621	961
3B2 21 31 10	N	100	16281-		16281 EX	4938	11343-	7693	1165
WALKER FEDERAL									
1A1 33 11 0	N	100	5962	4405	1557	2856	4413	4450	548
2M1 03 11 0	N	100	43638-	713	44351 EX	11444	32907-	17827	3093
SHIPROCK INDUSTRIES INCORPORATED						• • • • •	• • • •		
KELLY FEDERAL									
1M 8301 0	N	100	100	1251	1151 EX	1530	379	2384	155
SKELLY OIL COMPANY			• • • •	• • • • • • • • •	• • • • • • • • •	• • • •			
UOHN CHAFFEE									
6A1 32 7 9	N	100	1153	7803	6650 EX	4584	2066-	7141	1060
7N1 32 7 9	N	100	20396	11821	8575	5164	13739	8045	1232
MARSHALL FEDERAL									
6A1 42 7 9	N	98	10158	302	9856	5208	15064	8114	1277
MARSHALL FEDERAL									
1K1 42 7 9				8488	8488 EX		8488-		
MEXICO MFEDERAL									
1K1 23 11 3	N	100	4782	1842	2940	1999	4939	3115	294
NELLIE PLATEAU									
5N1 12 7 9	N	100	8672-	8034	16706 EX	4216	12490-	6568	951
SOCONY MOBIL OIL COMPANY INCORPORATED						• • • •			
LAUGHLIN VIA NEER B									
1M 8 6 22 0	N	100	34344	653	33691	9453	43144	14726	2503
2M1 7 6 22 0	N	100	10229	5392	4837	2455	7292	3825	429
FEATHERSTONE FEDERAL									
1A1 9 26 S 22	N	110	7592	2718	4874	1766	6640	2752	177
UICA 19 26 33 B									
2A1 9 26 33	N	100	4216	4996	780 EX	2222	1442	3462	360
3M2 0 26 33	N	100	1145-	1526	1671 EX	2084	413	32466	319
4N1 9 26 33	N	100	8622	2782	5480	1342	6822	20911	1299
5A2 0 26 33	X	100	434	434		1459	1459	1459	176

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
6A1726 3	XM	100	78	78		152	152	152	
U CARILLA C									
2N 726 3	N	90	2663	2000	663	1808	2471	2816	297
U CARILLA D									
1N2422663	M	100	1555	1555		1254	1254	1254	46
2A1422663	XM	100	459	459		739	739	739	82
3A1322663	XM	100	6	6		280	280	280	15
5M1422663	XM	100							49
6B2422663	XM	100	182	182		198	198	198	18
7M1322663	NN	100	6544	2851	3693	1601	5294	2495	176
8A2322663	XM	100	967	967		856	856	856	71
U CARILLA E									
2N1422773	M	100	2783	2783		2804	2804	2804	306
3M1522773	NN	100	7795	4523	3272	1652	4924	2574	191
4M1122773	NN	115	13470	4348	9122	1783	10905	2778	161
5A1422773	N	100	464	2252	1788 EX	1780	8 -	2773	229
U CARILLA F									
1B2227733	N	100	7040	7931	891 EX	1969	1078	3068	285
2M2227733	N	100	11929	4051	7878	1918	9796	2989	270
3M2227733	N	100	8242	3265	4977	1355	6332	2111	103
4A2327733	N	100	7869	2364	5505	1351	6856	2106	102
5M2327733	N	100	5303 -	1322	5435 EX	2509	2926 -	3909	445
6A2227733	N	100	2340 -	611	2955 EX	3514	494 -	5475	743
7M2427733	N	100	175 -	244	262 EX	1659	963 -	2584	193
U CARILLA G									
1A3527733	N	100	27212 -	278	27490 EX	6055	21435 -	9433	1496
2A2227733	N	100	1308	1244	64	1000	1064	1000	72
3M2327733	N	100	44416 -	263	44679 EX	6170	38509 -	9611	15300
4M2227733	N	100	8157 -	169	8326 EX	3646	4680 -	5680	782
5M2327733	N	100	6324 -	126	6450 EX	3089	3361 -	4813	617
6M3327733	N	100	53964 -	214	54178 EX	9581	44597 -	14925	2541
7A3627733	XM	100	1164	1164		927	927	927	47
8A2627733	N	100	7462	5194	2268	1709	3977	2663	208
U CARILLA H									
1H1122663	N	100	15866	6475	9391	3032	12423	4723	600
2A2222663	NN	100	16886 -	182	17068 EX	6214	10854 -	9680	1581
3A1222663	XM	100	350	350		434	434	434	11
4A1122663	XM	100	143	143		1045	1045	1045	58
5M1122663	NN	100	3439	96	3343	1746	5089	2721	219
6M2226633	NN	98	1470		1470	3153	4623	4913	655
7M1226633	NN	98	474		474	6595	7069	10274	1696
8M1226633	N	100	15522	19268	3746 EX	3116	630 -	4855	625
TENNECO OIL CORPORATION									
BLANCO GAS UNIT									
1G2301133	N	100	2226	2226		3200	3200	3200	336
VALENCIA GAS UNIT									
1A 927 9	N	100	14777	19047	4270 EX	5458	1188	8502	1319
TEXACO INC CORPORATED									
CHENEY FEDERAL									
1F1230123	N	100	15805	4201	11604	4044	15648	6300	900
H. K. RIDDLE DAKOTA GAS UNIT A									
1A3630101	N	100	1426		1426	2944	4370	4587	574
L. M. BARTON FEDERAL									
1K3630102	N	100	7747	202	7545	3950	11495	6153	872
WAYNE MOORE STATE									
1N1631 9	N	100	4847	392	4455	3632	8087	5659	778
J. GLENN TURNER									
NYE FEDERAL									
1E 9291 0	N	100	10082	2214	7868	1632	9500	2542	185
UNION TEXAS PETROLEUM CORPORATION									
JOHNSTON FEDERAL									
XO1L1230 9	N	100	13851	644	13207	6460	19667	10063	1616
2K3331 9	N	100	1599	678	921	15193	16114	23666	4204

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
3A 1230 9	N	100	5450	1477	3973	3217	7190	5012	655
4H 3331 99	N	1000	289893	276499	13394	110241	123635	171723	32373
5A 3531 99	XM	1000				152	152	152	472
6K 3531 99	N	1000	6884	796	6088	9871	15959	15377	2627
7A 7331 99	N	82	14957	1845	13112	5543	18655	8635	1705
8M 7331 99	N	82	5498-		5498 EX	5304	194-	8262	1618
STATE OF NEW MEXICO GAS UNIT									
1N1730 8	N	100	1575-	1723	3298 EX	3848	550	5995	842
PRICHARD FEDERAL									
1G 629 8	N	100	15327	765	14562	8512	23074	13259	2224
2N 629 8	N	91	35826		35826	10898	46724	16976	3251
WESTERN NATURAL GAS COMPANY									
GRAHAM FEDERAL									
1H 927 8	N	100	8665	1874	6791	1945	8736	3031	278
OXNARD FEDERAL									
1M1427 8	N	100	2703	2563	140	1885	2025	2936	260
PIPELINE TOTAL	TO	TAL	7441348	7669427	228079 EX	6152582	5924503	9353917	
SOUTHERN UNION GAS PIPELINE SYSTEM									
AZTEC OIL AND GAS COMPANY									
CAIN FEDERAL									
3O3029 9	XM	84	1014	1014		1662	1662	1662	146
THOMPSON FEDERAL									
1N3331 12	XM	100	647	647		884	884	884	66
CAULKINS OIL COMPANY									
BREECH DM FEDERAL									
224A1326 7	N	100	5861-		5861 EX	2138	3723-	3330	335
BREECH E FEDERAL									
58A 326 6	N	100	14538-		14538 EX	2927	11611-	4560	569
BREECH F DM FEDERAL									
4A3327 6	AM	100	1116	1116					
8A3427 6	N	100	2109		2109	1473	3582	2295	138
12A3527 6	N	100	742		742	3417	4159	5323	714
STATE A									
62A 226 6	N	100	24065-		24065 EX	3174	20891-	4944	642
CONSOLIDATED OIL AND GAS INCORPORATED									
BAIRD									
1H 4311 3A			196-		196 EX		196-		
CANDADO FEDERAL									
1M1526 7	XM	100	532	532		671	671	671	21
DUKE									
1H1331 13	NC	100	3746-	1364	5110 EX	1999	3111-	3115	294
KLINE									
1G1031 13	XM	100	961	961		1289	1289	1289	60
LINDA									
1M3127 8			20566-	9271	29837 EX		29837-		
OSHEA									
1K 3311 3	N	100	6628	3457	3171	2023	5194	3152	301
PRICE									
1N1531 13	XM	100							15
REID FEDERAL									
1M1831 12	M	98	832	832		2248	2248	2248	50
ROBINSON BROTHERS									
1P3432 13	N	102	97-	2535	2632 EX	2259	373-	3520	358
SEGAL									
1K1031 13	N	100	16408	419	15989	1210	17199	1885	60
SENTER FEDERAL									
1N2431 13	XM	100	29	29		546	546	546	22
SOUTHERN UNION FEDERAL									
1M1931 12	N	95	9506	3512	5994	1912	7906	2979	298
STARR FEDERAL									
1N1331 13	N	100	11909	1513	10396	1608	12004	2505	178

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
WILMERDING									
1B 93113	A		275-		275 EX		275-		
CONTINENTAL OIL COMPANY									
STATE OF NEW MEXICO GAS UNIT C									
1H 326 5	N	100	6350-		6350 EX	2971	3379-	4629	582
2B 426 5	A	N 100	19707-		X019707 EX		19707-		
DELHI TAYLOR OIL CORPORATION									
HAMNER FEDERAL									
3M2929 9	XM	90	2207	2207		847	847	847	77
STATE									
4N3229 9	XM	100	829	829		1041	1041	1041	62
PAN AMERICAN PETROLEUM CORPORATION									
JICARILLA APACHE CONTRACT 102									
4K 426 4	M	100	2989	2989		3415	3415	3415	242
5G 426 4	N	100	17010	938	16072	1638	17710	2553	187
6K 326 4	N	100	12473	2893	9580	1476	11056	2300	139
SOUTHERN UNION PRODUCTION COMPANY									
JICARILLA B									
2H2526 4	N	100	8157	2931	5226	1456	6682	2269	133
JICARILLA F									
1L2726 4	N	100	8180	3544	4636	1615	6251	2516	180
JICARILLA G									
1L 126 5	XM	87	2282	2282		1582	1582	1582	75
NAVAJO INDIAN B									
3N1927 8	N	100	11345-	3541	14886 EX	1878	13008-	2926	258
NYE FEDERAL									
1M2031 12	N	100	27095	3569	23526	1864	25390	2905	254
MADDOX GAS UNIT									
2G1931 12	M	100	2564	2564		2637	2637	2637	94
UNION TEXAS PETROLEUM CORPORATION									
CULPEPPER MARTIN FEDERAL									
2A 7311 2	N	99	8905		8905	2833	11738	4413	549
PIPELINE	TOTAL		59415	46218	13197	56693	69890	78941	
SOUTHERN UNION GATHERING SYSTEM									
AZTEC OIL AND GAS COMPANY									
ALSTON FEDERAL									
1N3531 11	N	100	1600	2590	990 EX	1335	345	2080	97
BRUINGTON FEDERAL									
1G2531 11	N	100	2168	9786	7618 EX	2583	5035-	4024	467
CALLOWAY									
1A2231 11	N	100	8358	7237	1121	1652	2773	2574	191
CHAMBERLAIN									
1H1432 12	N	100	9650	99	9551	1355	10906	2111	103
CHILDERS FEDERAL									
1N 1311 11	N	100	10012	1952	8060	4270	12330	6652	967
CRANDELL FEDERAL									
1A1931 10	N	100	14561	6067	8494	1851	10345	2884	250
2M1931 10	N	99	5465	2691	2774	1395	4169	2174	119
CULPEPPER MARTIN UNIT									
1 2211 2	N	100	1069	501	568	1733	2301	2700	215
2 3311 2	M	100	8577	8577		2494	2494	2494	81
3 3311 2	N	100	7935	5556	2379	1726	4105	2689	213
4 3311 2	N	100	11048		11048	2570	13618	4003	463
5 3311 2	N	100	4433-	560	1003 EX	1665	662	2595	195
6 3311 2	N	100	5475	12055	6577 EX	3133	3444-	4881	630
7B 3311 2	N	100	25760	3984	21776	4021	25797	6263	893
8N1931 11	XM	100	8377	8377		961	961	961	226
9 3311 2	N	100	17499	13788	16121	1669	17790	2600	196
10K 3311 2	N	100	3859	2774	1085	3724	14577	5801	805

YEAR: 1963

AUGUST

JULY

JUNE

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
BLANCO MESAVERDE POOL SOU UNION GATHERING CTD									
ANASAZI-DAKOTA									
ANASAZI-GALLUP									
ANASAZI-MESAVERDE									
ANASAZI-PICTURED CLIFFS									
ANASAZI-SAN JOSE									
ANASAZI-TOCITO DAKOTA									
ANASAZI-TOCITO GALLUP									
ANASAZI-TOCITO MESAVERDE									
ANASAZI-TOCITO PICTURED CLIFFS									
ANASAZI-TOCITO SAN JOSE									
ANASAZI-TOCITO WEST DAKOTA									
ANASAZI-TOCITO WEST GALLUP									
ANASAZI-TOCITO WEST MESAVERDE									
ANASAZI-TOCITO WEST PICTURED CLIFFS									
ANASAZI-TOCITO WEST SAN JOSE									
ANASAZI-WEST DAKOTA									
ANASAZI-WEST GALLUP									
ANASAZI-WEST MESAVERDE									
ANASAZI-WEST PICTURED CLIFFS									
ANASAZI-WEST SAN JOSE									
ANCO-DAKOTA									
ANCO-GALLUP									
ANCO-MESAVERDE									
ANCO-PICTURED CLIFFS									
ANCO-SAN JOSE									
ANCO-TOCITO DAKOTA									
ANCO-TOCITO GALLUP									
ANCO-TOCITO MESAVERDE									
ANCO-TOCITO PICTURED CLIFFS									
ANCO-TOCITO SAN JOSE									
ANCO-TOCITO WEST DAKOTA									
ANCO-TOCITO WEST GALLUP									
ANCO-TOCITO WEST MESAVERDE									
ANCO-TOCITO WEST PICTURED CLIFFS									
ANCO-TOCITO WEST SAN JOSE									
ANCO-WEST DAKOTA									
ANCO-WEST GALLUP									
ANCO-WEST MESAVERDE									
ANCO-WEST PICTURED CLIFFS									
ANCO-WEST SAN JOSE									
ANGEL PEAK-DAKOTA									
ANGEL PEAK-GALLUP									
ANGEL PEAK-MESAVERDE									
ANGEL PEAK-PICTURED CLIFFS									
ANGEL PEAK-SAN JOSE									
ANGEL PEAK-TOCITO DAKOTA									
ANGEL PEAK-TOCITO GALLUP									
ANGEL PEAK-TOCITO MESAVERDE									
ANGEL PEAK-TOCITO PICTURED CLIFFS									
ANGEL PEAK-TOCITO SAN JOSE									
ANGEL PEAK-TOCITO WEST DAKOTA									
ANGEL PEAK-TOCITO WEST GALLUP									
ANGEL PEAK-TOCITO WEST MESAVERDE									
ANGEL PEAK-TOCITO WEST PICTURED CLIFFS									
ANGEL PEAK-TOCITO WEST SAN JOSE									
ANGEL PEAK-WEST DAKOTA									
ANGEL PEAK-WEST GALLUP									
ANGEL PEAK-WEST MESAVERDE									
ANGEL PEAK-WEST PICTURED CLIFFS									
ANGEL PEAK-WEST SAN JOSE									
ANTELOPE-DAKOTA									
ANTELOPE-GALLUP									
ANTELOPE-MESAVERDE									
ANTELOPE-PICTURED CLIFFS									
ANTELOPE-SAN JOSE									
ANTELOPE-TOCITO DAKOTA									
ANTELOPE-TOCITO GALLUP									
ANTELOPE-TOCITO MESAVERDE									
ANTELOPE-TOCITO PICTURED CLIFFS									
ANTELOPE-TOCITO SAN JOSE									
ANTELOPE-TOCITO WEST DAKOTA									
ANTELOPE-TOCITO WEST GALLUP									
ANTELOPE-TOCITO WEST MESAVERDE									
ANTELOPE-TOCITO WEST PICTURED CLIFFS									
ANTELOPE-TOCITO WEST SAN JOSE									
ANTELOPE-WEST DAKOTA									
ANTELOPE-WEST GALLUP									
ANTELOPE-WEST MESAVERDE									
ANTELOPE-WEST PICTURED CLIFFS									
ANTELOPE-WEST SAN JOSE									
ARMENDARIZ-DAKOTA									
ARMENDARIZ-GALLUP									
ARMENDARIZ-MESAVERDE									
ARMENDARIZ-PICTURED CLIFFS									
ARMENDARIZ-SAN JOSE									
ARMENDARIZ-TOCITO DAKOTA									
ARMENDARIZ-TOCITO GALLUP									
ARMENDARIZ-TOCITO MESAVERDE									
ARMENDARIZ-TOCITO PICTURED CLIFFS									
ARMENDARIZ-TOCITO SAN JOSE									
ARMENDARIZ-TOCITO WEST DAKOTA									
ARMENDARIZ-TOCITO WEST GALLUP									
ARMENDARIZ-TOCITO WEST MESAVERDE									
ARMENDARIZ-TOCITO WEST PICTURED CLIFFS									
ARMENDARIZ-TOCITO WEST SAN JOSE									
ARMENDARIZ-WEST DAKOTA									
ARMENDARIZ-WEST GALLUP									
ARMENDARIZ-WEST MESAVERDE									
ARMENDARIZ-WEST PICTURED CLIFFS									
ARMENDARIZ-WEST SAN JOSE									

BLANCO MESAVERDE POOL SOUTH UNION GATHERING CTD — YEAR: 1963 — PAGE: 63

JULY — AUGUST — JUNE

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
BLANCO MESAVERDE (PRORATED GAS)									
ATLANTIC REFINING COMPANY									
DEL RAY #1	F	0.0000	0	0	0	0	0	0	0
DEL RAY #2	F	0.0000	0	0	0	0	0	0	0
DEL RAY #3	F	0.0000	0	0	0	0	0	0	0
DEL RAY #4	F	0.0000	0	0	0	0	0	0	0
DEL RAY #5	F	0.0000	0	0	0	0	0	0	0
DEL RAY #6	F	0.0000	0	0	0	0	0	0	0
DEL RAY #7	F	0.0000	0	0	0	0	0	0	0
DEL RAY #8	F	0.0000	0	0	0	0	0	0	0
DEL RAY #9	F	0.0000	0	0	0	0	0	0	0
DEL RAY #10	F	0.0000	0	0	0	0	0	0	0
DEL RAY #11	F	0.0000	0	0	0	0	0	0	0
DEL RAY #12	F	0.0000	0	0	0	0	0	0	0
DEL RAY #13	F	0.0000	0	0	0	0	0	0	0
DEL RAY #14	F	0.0000	0	0	0	0	0	0	0
DEL RAY #15	F	0.0000	0	0	0	0	0	0	0
DEL RAY #16	F	0.0000	0	0	0	0	0	0	0
DEL RAY #17	F	0.0000	0	0	0	0	0	0	0
DEL RAY #18	F	0.0000	0	0	0	0	0	0	0
DEL RAY #19	F	0.0000	0	0	0	0	0	0	0
DEL RAY #20	F	0.0000	0	0	0	0	0	0	0
DEL RAY #21	F	0.0000	0	0	0	0	0	0	0
DEL RAY #22	F	0.0000	0	0	0	0	0	0	0
DEL RAY #23	F	0.0000	0	0	0	0	0	0	0
DEL RAY #24	F	0.0000	0	0	0	0	0	0	0
DEL RAY #25	F	0.0000	0	0	0	0	0	0	0
DEL RAY #26	F	0.0000	0	0	0	0	0	0	0
DEL RAY #27	F	0.0000	0	0	0	0	0	0	0
DEL RAY #28	F	0.0000	0	0	0	0	0	0	0
DEL RAY #29	F	0.0000	0	0	0	0	0	0	0
DEL RAY #30	F	0.0000	0	0	0	0	0	0	0
DEL RAY #31	F	0.0000	0	0	0	0	0	0	0
DEL RAY #32	F	0.0000	0	0	0	0	0	0	0
DEL RAY #33	F	0.0000	0	0	0	0	0	0	0
DEL RAY #34	F	0.0000	0	0	0	0	0	0	0
DEL RAY #35	F	0.0000	0	0	0	0	0	0	0
DEL RAY #36	F	0.0000	0	0	0	0	0	0	0
DEL RAY #37	F	0.0000	0	0	0	0	0	0	0
DEL RAY #38	F	0.0000	0	0	0	0	0	0	0
DEL RAY #39	F	0.0000	0	0	0	0	0	0	0
DEL RAY #40	F	0.0000	0	0	0	0	0	0	0
DEL RAY #41	F	0.0000	0	0	0	0	0	0	0
DEL RAY #42	F	0.0000	0	0	0	0	0	0	0
DEL RAY #43	F	0.0000	0	0	0	0	0	0	0
DEL RAY #44	F	0.0000	0	0	0	0	0	0	0
DEL RAY #45	F	0.0000	0	0	0	0	0	0	0
DEL RAY #46	F	0.0000	0	0	0	0	0	0	0
DEL RAY #47	F	0.0000	0	0	0	0	0	0	0
DEL RAY #48	F	0.0000	0	0	0	0	0	0	0
DEL RAY #49	F	0.0000	0	0	0	0	0	0	0
DEL RAY #50	F	0.0000	0	0	0	0	0	0	0
DEL RAY #51	F	0.0000	0	0	0	0	0	0	0
DEL RAY #52	F	0.0000	0	0	0	0	0	0	0
DEL RAY #53	F	0.0000	0	0	0	0	0	0	0
DEL RAY #54	F	0.0000	0	0	0	0	0	0	0
DEL RAY #55	F	0.0000	0	0	0	0	0	0	0
DEL RAY #56	F	0.0000	0	0	0	0	0	0	0
DEL RAY #57	F	0.0000	0	0	0	0	0	0	0
DEL RAY #58	F	0.0000	0	0	0	0	0	0	0
DEL RAY #59	F	0.0000	0	0	0	0	0	0	0
DEL RAY #60	F	0.0000	0	0	0	0	0	0	0
DEL RAY #61	F	0.0000	0	0	0	0	0	0	0
DEL RAY #62	F	0.0000	0	0	0	0	0	0	0
DEL RAY #63	F	0.0000	0	0	0	0	0	0	0
DEL RAY #64	F	0.0000	0	0	0	0	0	0	0
DEL RAY #65	F	0.0000	0	0	0	0	0	0	0
DEL RAY #66	F	0.0000	0	0	0	0	0	0	0
DEL RAY #67	F	0.0000	0	0	0	0	0	0	0
DEL RAY #68	F	0.0000	0	0	0	0	0	0	0
DEL RAY #69	F	0.0000	0	0	0	0	0	0	0
DEL RAY #70	F	0.0000	0	0	0	0	0	0	0
DEL RAY #71	F	0.0000	0	0	0	0	0	0	0
DEL RAY #72	F	0.0000	0	0	0	0	0	0	0
DEL RAY #73	F	0.0000	0	0	0	0	0	0	0
DEL RAY #74	F	0.0000	0	0	0	0	0	0	0
DEL RAY #75	F	0.0000	0	0	0	0	0	0	0
DEL RAY #76	F	0.0000	0	0	0	0	0	0	0
DEL RAY #77	F	0.0000	0	0	0	0	0	0	0
DEL RAY #78	F	0.0000	0	0	0	0	0	0	0
DEL RAY #79	F	0.0000	0	0	0	0	0	0	0
DEL RAY #80	F	0.0000	0	0	0	0	0	0	0
DEL RAY #81	F	0.0000	0	0	0	0	0	0	0
DEL RAY #82	F	0.0000	0	0	0	0	0	0	0
DEL RAY #83	F	0.0000	0	0	0	0	0	0	0
DEL RAY #84	F	0.0000	0	0	0	0	0	0	0
DEL RAY #85	F	0.0000	0	0	0	0	0	0	0
DEL RAY #86	F	0.0000	0	0	0	0	0	0	0
DEL RAY #87	F	0.0000	0	0	0	0	0	0	0
DEL RAY #88	F	0.0000	0	0	0	0	0	0	0
DEL RAY #89	F	0.0000	0	0	0	0	0	0	0
DEL RAY #90	F	0.0000	0	0	0	0	0	0	0
DEL RAY #91	F	0.0000	0	0	0	0	0	0	0
DEL RAY #92	F	0.0000	0	0	0	0	0	0	0
DEL RAY #93	F	0.0000	0	0	0	0	0	0	0
DEL RAY #94	F	0.0000	0	0	0	0	0	0	0
DEL RAY #95	F	0.0000	0	0	0	0	0	0	0
DEL RAY #96	F	0.0000	0	0	0	0	0	0	0
DEL RAY #97	F	0.0000	0	0	0	0	0	0	0
DEL RAY #98	F	0.0000	0	0	0	0	0	0	0
DEL RAY #99	F	0.0000	0	0	0	0	0	0	0
DEL RAY #100	F	0.0000	0	0	0	0	0	0	0
DEL RAY #101	F	0.0000	0	0	0	0	0	0	0
DEL RAY #102	F	0.0000	0	0	0	0	0	0	0
DEL RAY #103	F	0.0000	0	0	0	0	0	0	0
DEL RAY #104	F	0.0000	0	0	0	0	0	0	0
DEL RAY #105	F	0.0000	0	0	0	0	0	0	0
DEL RAY #106	F	0.0000	0	0	0	0	0	0	0
DEL RAY #107	F	0.0000	0	0	0	0	0	0	0
DEL RAY #108	F	0.0000	0	0	0	0	0	0	0
DEL RAY #109	F	0.0000	0	0	0	0	0	0	0
DEL RAY #110	F	0.0000	0	0	0	0	0	0	0
DEL RAY #111	F	0.0000	0	0	0	0	0	0	0
DEL RAY #112	F	0.0000	0	0	0	0	0	0	0
DEL RAY #113	F	0.0000	0	0	0	0	0	0	0
DEL RAY #114	F	0.0000	0	0	0	0	0	0	0
DEL RAY #115	F	0.0000	0	0	0	0	0	0	0
DEL RAY #116	F	0.0000	0	0	0	0	0	0	0
DEL RAY #117	F	0.0000	0	0	0	0	0	0	0
DEL RAY #118	F	0.0000	0	0	0	0	0	0	0
DEL RAY #119	F	0.0000	0	0	0	0	0	0	0
DEL RAY #120	F	0.0000	0	0	0	0	0	0	0
DEL RAY #121	F	0.0000	0	0	0	0	0	0	0
DEL RAY #122	F	0.0000	0	0	0	0	0	0	0
DEL RAY #123	F	0.0000	0	0	0	0	0	0	0
DEL RAY #124	F	0.0000	0	0	0	0	0	0	0
DEL RAY #125	F	0.0000	0	0	0	0	0	0	0
DEL RAY #126	F	0.0000	0	0	0	0	0	0	0
DEL RAY #127	F	0.0000	0	0	0	0	0	0	0
DEL RAY #128	F	0.0000	0	0	0	0	0	0	0
DEL RAY #129	F	0.0000	0	0	0	0	0	0	0
DEL RAY #130	F	0.0000	0	0	0	0	0	0	0
DEL RAY #131	F	0.0000	0	0	0	0	0	0	0
DEL RAY #132	F	0.0000	0	0	0	0	0	0	0
DEL RAY #133	F	0.0000	0	0	0	0	0	0	0
DEL RAY #134	F	0.0000	0	0	0	0	0	0	0
DEL RAY #135	F	0.0000	0	0	0	0	0	0	0
DEL RAY #136	F	0.0000	0	0	0	0	0	0	0
DEL RAY #137	F	0.0000	0	0	0	0	0	0	0
DEL RAY #138	F	0.0000	0	0	0	0	0	0	0
DEL RAY #139	F	0.0000	0	0	0	0	0	0	0
DEL RAY #140	F	0.0000	0	0	0	0	0	0	0
DEL RAY #141	F	0.0000	0	0	0	0	0	0	0
DEL RAY #142	F	0.0000	0	0	0	0	0	0	0
DEL RAY #143	F	0.0000	0	0	0	0	0	0	0
DEL RAY #144	F	0.0000	0	0	0	0	0	0	0
DEL RAY #145	F	0.0000	0	0	0	0	0	0	0
DEL RAY #146	F	0.0000	0	0	0	0	0	0	0
DEL RAY #147	F	0.0000	0	0	0	0	0	0	0
DEL RAY #148	F	0.0000	0	0	0	0	0	0	0
DEL RAY #149	F	0.0000	0	0	0	0	0	0	0
DEL RAY #150	F	0.0000	0	0	0	0	0	0	0
DEL RAY #151	F	0.0000	0	0	0	0	0	0	0
DEL RAY #152	F	0.0000	0	0	0	0	0	0	0
DEL RAY #153	F	0.0000	0	0	0	0	0	0	0
DEL RAY #154	F	0.0000	0	0	0	0	0	0	0
DEL RAY #155	F	0.0000	0	0	0	0	0	0	0
DEL RAY #156	F	0.0000	0	0	0	0	0	0	0
DEL RAY #157	F	0.0000	0	0	0	0	0	0	0
DEL RAY #158	F	0.0000	0	0	0	0	0	0	0
DEL RAY #159	F	0.0000	0	0	0	0	0	0	0
DEL RAY #160	F	0.0000	0	0	0	0	0	0	0
DEL RAY #161	F	0.0000	0	0	0	0	0	0	0
DEL RAY #162	F	0.0000	0	0	0	0	0	0	0
DEL RAY #163	F	0.0000	0	0	0	0	0	0	0
DEL RAY #164	F	0.0000	0	0	0	0	0	0	0
DEL RAY #165	F	0.0000	0	0	0	0	0	0	0
DEL RAY #166	F	0.0000	0	0	0	0	0	0	0
DEL RAY #167	F	0.0000	0	0	0	0	0	0	0
DEL RAY #168	F	0.0000	0	0	0	0	0	0	0
DEL RAY #169	F	0.0000	0	0	0	0	0	0	0
DEL RAY #170	F	0.0000	0	0	0	0	0	0	0
DEL RAY #171	F	0.0000	0	0	0	0	0	0	0
DEL RAY #172	F	0.0000	0	0	0	0	0	0	0
DEL RAY #173	F	0.0000	0	0	0	0	0	0	0
DEL RAY #174	F	0.0000	0	0	0	0	0	0	0
DEL RAY #175	F	0.0000	0	0	0	0	0	0	0
DEL RAY #176	F	0.0000	0	0	0	0	0	0	0
DEL RAY #177	F	0.0000	0	0	0	0	0	0	0
DEL RAY #178	F	0.0000	0	0	0	0	0	0	0
DEL RAY #179	F	0.0000	0	0	0	0	0	0	0
DEL RAY #180	F	0.0000	0	0	0	0	0	0	0
DEL RAY #181	F	0.0000	0	0	0	0	0	0	0
DEL RAY #182	F	0.0000	0	0	0	0	0	0	0
DEL RAY #183	F	0.0000	0	0	0	0	0	0	0
DEL RAY #184	F	0.0000	0	0	0	0	0	0	0
DEL RAY #185	F	0.0000	0	0	0	0	0	0	0
DEL RAY #186	F	0.0000	0	0	0	0	0	0	0
DEL RAY #187	F	0.0000	0	0	0	0	0	0	0
DEL RAY #188	F	0.0000	0	0	0	0	0	0	0
DEL RAY #189	F	0.0000	0	0	0	0	0	0	0
DEL RAY #190	F	0.0000	0	0	0	0	0	0	0
DEL RAY #191	F	0.0000	0	0	0	0	0	0	0
DEL RAY #192	F	0.0000	0	0	0	0	0	0	0
DEL RAY #193	F	0.0000	0	0	0	0	0	0	0
DEL RAY #194	F	0.0000	0	0	0	0	0	0	0
DEL RAY #195	F	0.0000	0	0	0	0	0	0	0
DEL RAY #196	F	0.0000	0	0	0	0	0	0	0
DEL RAY #197	F	0.0000	0	0	0	0	0	0	0
DEL RAY #198	F	0.0000	0	0	0	0	0	0	0
DEL RAY #199	F	0.0000	0	0	0	0	0	0	0
DEL RAY #200	F	0.0000	0	0	0	0	0	0	0

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
44H3130 8	N	100	603	1193	590FX	1682	1092	2621	200
45G2230 8	XM	100				197	197	197	
FLORANCE 3 FEDERAL									
8N1430 9	N	100	15864	32559	16695FX	6862	9833-	10689	1735
29K2530 8	N	100	1517-		1517FX	5080	3563	7914	1207
42M2729 9	N	100	9601	2859	6742	1480	8222	2306	140
FLORANCE 4 FEDERAL									
20B2430 9	N	109	44352	66161	21809FX	12364	9445-	19261	3063
GIOMI FEDERAL									
1M2830 9	N	100	16991		16991	5940	22931	9254	1462
HAMNER FEDERAL									
1A2029 9	N	100	12484	8614	3870	4270	8140	6652	967
2L2829 9	N	96	4883-	7520	12403FX	1551	10852-	2416	180
BEN HOWELL FEDERAL									
1K2030 8	N	84	251-	11933	12184FX	6488	5696-	10107	1991
2G1030 8	N	103	9338	45220	35882FX	11295	24587-	17595	2951
3H3030	N	91	11379-		11379FX	5134	6245-	7998	1374
HELEN JACKSON FEDERAL									
1A3429 9	M	100	1515	1515		1650	1650	1650	54
2A3329 9	N	96	10617	4605	6012	1736	7748	2705	237
JACQUEZ UNIT									
1M2530 9	N	100	11341-	3492	14833FX	2971	11862-	4629	582
FRED LAWSON									
1M1030 8	N	100	5014	47758	42744FX	9608	33136-	14967	2549
2A2530 9	N	100	30468-	6033	36501FX	4007	32494-	6242	889
JANE MANSFIELD FEDERAL									
1P1930 9	N	100	4245	2051	2194	2607	4801	4061	474
K. F. MOORE FEDERAL									
1N 830 8	N	100	5898	14749	8851FX	4348	4503-	6773	990
3G 430 8	N	100	38936	11557	27379	9507	36886	14810	2519
4H 530 8	N	100	79290	44961	34329	8755	43084	13638	2296
5N 930 8	N	100	32780	10821	21959	9257	31216	14421	2445
LINDA NYE FEDERAL									
1B2030 8	N	97	11430-		11430FX	4415	7015-	6879	1050
PRICHARD FEDERAL									
1M 130 9	N	100	10761	3106	7655	1507	9162	2348	148
2H 130 9	N	100	71224	98615	27391FX	24866	2525-	38735	7071
4L3129 8	N	117	18089	11828	6261	3426	9687	5337	569
PRICHARD 1 FEDERAL									
3H3129 8	N	100	43074	30405	12669	6690	19359	10421	1684
RIDDLE FEDERAL									
1B2130 9	N	100	22275	12004	10271	8447	18718	13159	2205
2N1730 9	N	100	13225	6455	6770	4415	11185	6878	1010
STATE									
1M3230 9	N	100	99-	894	993FX	1547	554	2411	160
2M1630 9	N	100	1418-	1568	2986FX	1891	1095-	2947	262
3A1630 9	N	100	57027-	9684	X066711FX	6770	59941-	10547	1708
GAS PRODUCERS CORPORATION									
HORTON FEDERAL									
1P 73111	N	100	6025	296	5729	2509	8238	3909	445
2A223211	N	100	11985	6564	5421	2914	8335	4539	565
4M273212	N	100	1602		1602	2327	3929	3625	391
STORY E FEDERAL									
1L343211	N	100	2886		2886	4695	7581	7315	1093
MONSANTO CHEMICAL COMPANY									
MONTOYA FEDERAL									
1N253213	N	100	9206	7156	2050	2846	4896	4434	545
PAN AMERICAN PETROLEUM CORPORATION									
MCCOY GAS UNIT A									
1H183110	N	100	17675	5822	11853	8387	20240	13065	2187
C. M. PAUL									
STATE DAY									
1E323211	N	100	37011	36269	742	9730	10472	15157	2585

BLANCO MESAVERDE POOL SOUTH UNION GATHERING

PRODUCTION COMPANY

MCF PRODUCTION

JUNE

JULY

AUGUST

YEAR: 1963

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
LAWSON FEDERAL 1	GAS	1.00	2944		2944	6690	9634	10421	1684
VASQUEZ FEDERAL 1	GAS	0.96	38603	21715	16888	6008	22896	9359	1556
APACHE CORPORATION	GAS	0.97	15472 -		15472 EX	9554	59184 -	14883	2621
STATE 1	GAS	0.000	82995	39132	43863 EX	15888	59733 -	24744	1772
SX	GAS	0.000	16049	3512	12537	3517	20108 -	5136	1040
JICARILLA 1	GAS	0.000	59556	55345	4211	16188	22299	25521	1881
JICARILLA A 4	GAS	0.000	63098	13871	49227	12088	61315	18831	3284
JICARILLA A 5	GAS	0.000	14335	5065	9270	17228	19085 -	26847	1921
JICARILLA A 6	GAS	0.000	64776	2856	36320	14368	50556	22377	1277
JICARILLA A 7	GAS	0.000	153400	37398	115507	53617	207065 -	83500	1906
JICARILLA A 8	GAS	0.000	152822	32355	120467	53617	206439 -	82206	1450
JICARILLA A 9	GAS	0.000	110934	4494	106440	37660	144100 -	14487	2
JICARILLA A 10	GAS	0.000	113134	44978	68156	33764	101920 -	22330	5522
JICARILLA A 11	GAS	0.000	106552	27508	78044	46767 -	31277	22988	1279
JICARILLA A 12	GAS	0.000	118838	22481	96357	18811 -	115168	22845	1224
JICARILLA A 13	GAS	0.000	308347	18938	289409	39885 -	249524	54533	7336
JICARILLA A 14	GAS	0.000	308437	12636	295801	53434 -	242367	53434	5643
JICARILLA A 15	GAS	0.000	48578	10757	37821	15644 -	22177	9556	1521
JICARILLA A 16	GAS	0.000	76338	8043	68295	41127 -	27168	15427	2554
JICARILLA A 17	GAS	0.000	39853	4853	35000 EX	11398 -	23602	9435	1337
JICARILLA A 18	GAS	0.000	43085	4308	38777 EX	9952 -	28825	9435	1407
JICARILLA A 19	GAS	0.000	57105	5710	51395 EX	11952 -	39443	9335	1743
JICARILLA A 20	GAS	0.000	526693	67886	458807	50332	509139	50732	5997
JICARILLA A 21	GAS	0.000	2216407	1337	2215070 EX	60885	2275955	60885	6631
JICARILLA A 22	GAS	0.000	655553	189114	466439 EX	37546	503985	64355	6631
JICARILLA A 23	GAS	0.000	1324	1327	3	27764	27767	27764	
JICARILLA A 24	GAS	0.000	115571	94288	21283	28106	49389	43781	8031
JICARILLA A 25	GAS	0.000	296223	33044	263179	19332	282511	30110	2774
TEJANA CONSOLIDATED 1	GAS	1.00	52888 -	30028	22860	25094	47954	39099	4455

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
UNION TEXAS PETROLEUM CORPORATION									
CULPEPPER MARTIN FEDERAL									
1P313212	N	100	2493	7444	4951 EX	1804	3147-	2810	236
SADIE WEST									
1L213112	N	100	6619	10422	3803 EX	1915	1888-	2984	269
PIPELINE TOTAL			2181225	1811185	370040	789768	1159808	1214167	
POOL TOTAL			9681988	9526830	155158	6999043	7154201	10647025	
AZTEC PICTURED CLIFF POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
AMERICAN PETROFINA COMPANY OF TEXAS									
HAZEL BOLACK FEDERAL									
1010303 11	N	100	303	1084	781 EX	852	71	795	66
AZTEC OIL AND GAS COMPANY									
CURRENT									
1E113011	N	100	2681-	474	3155 EX	1637	1518-	1529	201
GRENIER B									
2L629 10	M	100	1035	1035		1958	1958	1958	10
HARE FEDERAL									
1G329 10	N	100	2954	6632	3678 EX	1515	2163-	1415	180
KOCH STATE									
1G3629 9	N	100	2636	699	1937	2010	3947	1877	265
LLOYD FEDERAL									
1B133011	XM	100	1195	1195		931	931	931	69
MCCLANAHAN FEDERAL									
1A132810	N	100	3824-	9134	X012958 EX	2185	10773-	2040	295
NYE FEDERAL									
4J133011	N	100	1005	4158	3153 EX	1754	1399-	1638	221
F J TITT									
1E 23011	N	100	4967-		4967 EX	968	3999-	904	86
A. K. BARBOUR									
BRIMHALL UNIT									
POOL 1A8301 11	XM	100	656	656		1403	1403	1403	67
PRICE UNIT									
1K173011	XM	100	661	661		956	956	956	39
W. D. CARR									
AB RAMS 5301 1	N	100	2446	4914	2468 EX	1701	767-	1589	212
2H 5301 1	N	100	7169	7174	5 EX	2662	2657	2485	377
BANDY									
1N 3301 1	N	100	1412	1171	241	1050	1291	980	100
BIRD									
1F 8301 1	N	100	4885	979	3906	1079	4985	1007	105
BROWN POOL									
1F 9301 1	N	100	5799	1205	4594	1527	6121	1426	182
HAMPTON									
X01C1 0301 1	N	77	656	1721	1065 EX	564	501-	527	45
2Q 3301 1	N	100	2283-	1319	3602 EX	1387	2215-	1295	158
HARTMAN									
1B 8301 1	N	100	5121	3193	1928	1399	3327	1306	160
HARVEY POOL									
1L 9301 1	XM	80	990	990		1164	1164	1164	40
JENSEN									
1J 2301 2	XM	100	87	87		407	407	407	
JONES FEDERAL									
1G 7301 1	N	100	1386	4940	3554 EX	1981	1573-	1849	260
MADDOX UNIT									
1H1 0301 1	N	100	303	1546	1243 EX	724	519-	676	44
MCGRATH UNIT									
1F 7301 1	XM	103	423	423		720	720	720	95
OLIVER									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1 L 8 3011	N	100	20-	2065	2085 EX	1573	512-	1469	190
2 NM 33311	N	100	1463	1569	106 EX	1096	990	1024	108
3 O 33311	N	100	1706	3423	1717 EX	1457	260-	1361	170
ROBERTS									
1 P 4 3011	N	100	3068	1360	1708	974	2682	910	87
SUTTON									
1 D 18 3011	N	104	2452	1122	1330	876	2206	818	64
THOMAS									
1 A 9 3011	N	79	1382-	1165	2547 EX	1190	1357-	1111	179
UTTON									
1 L 7 3011	N	103	3322	912	2410	959	3369	896	80
PAUL CASE			....	.....	.....	.....			
SULLIVAN FEDERAL									
5 A 30 2910	N	100	2026-	43	2069 EX	718	1351-	671	43
DELHI TAYLOR OIL CORPORATION			.....	.....	.....	.....			
FLORANCE FEDERAL									
26 M 25 29 9	N	95	1537-		1537 EX	1923	386	1795	267
JACKSON									
1 I 33 30 11	XM	100	74	74		236	236	236	8
2 K 33 0 11	N	100	826	813	13	747	760	698	48
JONES FEDERAL									
3 L 30 29 8	N	107	1360	1319	41	768	809	717	43
PRICHARD FEDERAL									
4 L 31 29 8	N	127	2041	3205	1164 EX	1630	466	1522	140
EL PASO NATURAL GAS COMPANY			.....	.....	.....	.....			
BRUNSON UNIT									
10 2 O 30 11	XM	100	442	442		724	724	724	30
2 K 2 9 30 11	XM	100	377	377		334	334	334	13
3 I 6 30 11	N	100	2785	1480	1305	648	1953	605	31
CALHOWAY UNIT DC									
2 H 34 31 11	N	100	1184-	1753	2937 EX	1346	1591-	1257	151
DAUM FEDERAL									
1 M 32 28 9	N	105	1394	946	448	1000	1448	1000	31
2 D 32 28 9	N	100	2300-		2300 EX	1026	1274-	958	96
4 B 32 28 9	N	100	744-		744 EX	1527	783	1426	182
DRYDEN FEDERAL									
3 M 21 28 8	N	100	217-	534	751 EX	776	25	725	53
DUFF FEDERAL									
1 E 5 29 11	XM	92	1206	1206		1420	1420	1420	42
FANNIN									
1 B 7 29 10	N	100	4562	7041	2479 EX	1899	580-	1773	246
FEDERAL									
1 I 4 29 10	XM	100	536	536		666	666	666	16
2 B 17 29 10	N	100	6097	7129	1032 EX	2767	1735	2583	395
FIELDING									
1 D 21 30 11	N	100	68	314	246 EX	694	448	649	39
FIELDING UNIT									
2 5 29 11	N	100	1296	1227	69	1399	1468	1306	160
FLOYD									
1 C 34 31 11	N	100	1605	1607	2 EX	735	733	687	46
FLORANCE FEDERAL									
3 K 19 28 8	N	95	370		370	2790	3160	2605	424
FORRESTER									
1 E 35 30 11	N	100	276	923	647 EX	939	292	877	81
FULLERTON UNIT									
1 C 22 30 11	N	100	245-	497	742 EX	1137	395	1062	115
2 G 22 30 11	N	100	676	477	199	916	1115	855	77
GRAMBLING C									
6 F 14 30 10	N	100	5272	13345	8073 EX	3139	4934-	2931	459
HANCOCK FEDERAL									
1 C 30 28 9	N	100	2737-		2737 EX	655	2082-	612	46
2 K 29 28 9	N	100	3804-	4090	7894 EX	2150	5744-	2007	289
3 M 22 28 9	N	100	6421-		6421 EX	2499	3922-	2333	349
4 M 22 28 9	N	100	2136-		2136 EX	2016	120-	1882	266

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
5M2728 9	N	100	1021		1021	3448	4469	3219	512
8D2328 9	N	100	3726-		3726 EX	1923	1803-	1795	250
HANCOCK B FEDERAL									
3I3128 9	N	101	2134-	3674	5808 EX	1112	4696-	1039	109
4C2228 9	N	100	8986	6519	2467	2144	4611	2002	288
7I3028 9	N	100	1078-		1078 EX	1579	501	1475	191
8C2728 9	N	100	11626-		11626 EX	2656	8970-	2480	376
9P2828 9	N	100	8499-		8499 EX	2324	6175-	2170	319
HARDIE E FEDERAL									
4J1628 8	N	100	83		83	1230	1313	1149	131
HARTMAN POOL UNIT									
1D263011	XM	100	368	368		805	805	805	33
HEATON FEDERAL									
6B333111	N	100	2229	3208	979 EX	822	157-	768	61
8B303111	N	100	16192	2866	13326	1602	14928	1496	195
9B323111	N	100	2082	4120	2038 EX	1172	866-	1094	121
12E333111	N	100	2489	4088	1599 EX	1282	317-	1198	140
13J323111	N	100	5451	7975	2524 EX	2708	184	2529	385
HUBBELL FEDERAL									
1M 72910	XM	96							
2C172910	N	100	15907	11180	4727	4734	9461	4419	733
JOHNSTON FEDERAL									
1N1128 9	XM	126	616	616		630	630	630	23
2I 928 9	M	127	1853	1853		2394	2394	2394	225
4I1728 9	N	100	1196-		1196 EX	1207	11	1127	127
8G1728 9	N	100	2523-		2523 EX	1422	1101-	1328	164
KELLY FEDERAL									
1H353010	N	100	1487	969	518	910	1428	850	76
KESSLER FEDERAL									
1A243011	N	100	944	952	8 EX	2091	2083	1953	279
2P253011	N	1.00	300	1406	1106 EX	1457	351	1361	170
KING									
1A223010	N	100	9642-	3808	13450 EX	2813	10637-	2626	403
LACKEY B FEDERAL									
1B2028 9	TN	100	1578	917	661	1000	1661	1000	47
2A3028 9	N	100	345		345	1568	1913	1464	189
3D2928 9	IN	100	3929-		3929 EX	1183	2746-	1105	123
5P2028 9	BN	100	82529		82529	2860	85389	2670	411
6D2128 9	IN	100	8596-		X008596 EX	1422	7174-	1328	164
7I2128 9	N	100	233-		233 EX	1469	1236	1371	172
8M2028 9	IN	100	28310-		X028310 EX	2132	26178-	1991	286
9M2128 9	IN	100	19949-		X019949 EX	2435	17514-	2273	338
10G2128 9	N	100	1830-		1830 EX	1608	222-	1502	196
18D3028 9	N	89	5171-		5171 EX	2232	2939-	2084	350
19F2028 9	N	100	2186-		2186 EX	3518	1332	3284	524
LLOYD FEDERAL									
1C243011	XM	100	218	218		729	729	729	31
LLOYD A FEDERAL									
1D112911	XM	100	485	485		724	724	724	16
LLOYD B FEDERAL									
1D122911	N	100	2028	725	1303	677	1980	632	36
2K 12911	N	100	3242	7807	4565 EX	2965	1600-	2768	429
3E 12911	N	100	342-	345	687 EX	4012	3325	3746	609
LLOYD C FEDERAL									
1A112911	N	100	2703	821	1882	694	2576	649	39
LLOYD D FEDERAL									
1O213011	N	100	340	210	130	904	1034	844	75
LLOYD E FEDERAL									
1N 42911	XM	100	773	773		875	875	875	26
LUDWICK FEDERAL									
1E293010	IN	100	3045	3688	643 EX	2004	1361	1871	264
2P193010	BN	100	800		800	1632	2432	1524	200
3O293010	IN	100	5044	1587	3457	1899	5356	1773	246
4A313010	IN	100	664	1013	349 EX	1026	677	958	96
5F313010	IN	96	1726	429	1297	1000	2297	1000	41
6L193010	IN	97	2844	1145	1699	2392	4091	2233	343
7L313010	N	95	1030	1335	305 EX	1253	948	1170	146

AZTEC POOL EL PASO SYSTEM CTD

JUNE

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
MC U M 1	T		2155	3073	5233 EX	2051	3182 -	1915	272
MC U M 1			6423	3219	5528 EX	2110	3513	1903	211
MC U M 1			2454	2	2335	1193	2461	1106	115
MC U M 1			1416		1334	1133	1620 -	1122	114
MC U M 1			1955	8834	1211	8526	1937	7955	663
MC U M 1			1142	8882	1158	1273	1042	1175	132
MC U M 1			2188	1883	1121	3302	3302	3302	318
MC U M 1			245	245		330	330	330	21
MC U M 1			4057		405 EX	3745	3405	3496	563
MC U M 1			8607		860	3168	1175	2958	546
MC U M 1			7899	8089	190 EX	2359	2169	2203	325
MC U M 1			2175 -	8426	625 EX	6772	5242 -	6322	362
MC U M 1			6172	458	1072 EX	2314	8394 -	2150	322
MC U M 1			1148	3970	282 EX	1160	1662 -	1083	119
MC U M 1			2685	804	1881	1050	2931	980	100
MC U M 1			3462	3462		5156	5156	5156	12
MC U M 1			6555	6552		8745	8745	8745	336
MC U M 1			2211	5510	1491 EX	6576	6576	6576	326
MC U M 1			2811	1223	1487 EX	6900	6900	6900	343
MC U M 1			3829	8920	9349 EX	2511	2511	2511	118
MC U M 1			1230	3622	868	1000	1000	1000	31
MC U M 1			1884	2670	786 EX	8987	8387	8398	746
MC U M 1			3560	4938	1378 EX	4027	4027	4027	746
MC U M 1			437 -	3152	752 EX	9931	9931	9931	91
MC U M 1			1355	9505	405	1312	1312	1312	161
MC U M 1			1855	1855		1144	1144	1144	20
MC U M 1			1630	8966	734 EX	2007	2007	2007	289
MC U M 1			2815	8554	2261	1627	1627	1627	219
MC U M 1			7964 -	92	7966 EX	1186	1186	1186	125
MC U M 1			5414	9255	5506	1322	1322	1322	132
MC U M 1			171	171		274	274	274	12
MC U M 1			5923 -	7445	1342 EX	3191	3191	3191	507
MC U M 1			15423	4067	1135 6	4941	4941	4941	829
MC U M 1			1417	3123	1706 EX	1154	1154	1154	132
MC U M 1			1864	5857	3993 EX	3691	3691	3691	599
MC U M 1			1447 -		1447 EX	1741	1741	1741	240

JULY AUGUST

AZTEC POOL — PASO SYSTEM CTD — JUNE

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
						JULY		AUGUST	
							YEAR: 1963	PAGE:	7 G

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
TURNER A FEDERAL									
1K 34311	N	100	3079	1973	1106	1073	2179	1002	104
WARREN FEDERAL									
2K 12289	N	126	1527		1527	3261	4788	3044	364
3L 13289	N	100	1550-		1550 EX	2924	1374	2730	422
4H 14289	N	100	1361-	2694	4055 EX	1579	2476-	1475	191
5G 24289	N	100	7378-		7378 EX	2429	4949-	2268	337
6O 24289	N	100	2751		2751	3058	5809	2855	445
WARREN A FEDERAL									
2A 23289	N	100	17400		17400	4373	21773	4082	671
WOOD FEDERAL									
2G 35301	N	100	242	911	669 EX	4542	3873	4240	700
WRIGHT D									
1I 16289	N	100	5831	1336	4495	1975	6470	1844	259
29 9 SAN JUAN UNIT									
1K 35299	N	96	1891-		1891 EX	1985	94	1854	275
2L 33299	N	100	4372	2810	1562	1888	3450	1763	244
3E 33299	N	100	8763	4020	4743	2295	7038	2143	314
30 1 O AZTEC STATE									
1H 32301	N	100	2609	4569	1960 EX	3826	1866	3572	577
30 11 AZTEC STATE									
1P 36301	N	100	641	794	153 EX	753	600	703	49
FRANCIS L. HARVEY AND CAPITAL COUNSELLORS ...									
BUNCE FEDERAL									
1G 19291	XM	100							69
GARRETT D									
1J 12291	N	100	1781	386	1395	758	2153	709	50
3G 12291	N	100	1702	88	1614	1000	2614	1000	38
HANLEY D UNIT									
1L 18291	N	97	2812	1002	1810	715	2525	668	46
JONES FEDERAL									
2F 72910	N	96	2133-		2133 EX	2352	219	2196	341
FRANCIS L. HARVEY									
BLACK TAYLOR									
1F 29291	XM	84	606	606		517	517	517	21
G. F. BRUINGTON POOLED UNIT									
1M 28291	N	100	153	1072	919 EX	863	56-	806	68
JONES FEDERAL									
1A 13291	N	100	1714	1521	193	921	1114	861	78
MCKAY PAYNE AND ZACHRY									
MAXWELL									
1F 13012	N	100	5150	2050	3100	1440	4540	1344	167
SULLIVAN									
3H 29291	N	100	2039-	3479	5518 EX	1172	4346-	1094	121
UPTEGROVE									
1P 23012	N	100	593	2832	2239 EX	840	1399-	785	64
MOUNTAIN STATES PETROLEUM CORP.									
NEW MEXICO STATE A									
1P 32291	N	100	962-	55	1017 EX	1168	151	1252	150
JOHN J. MOYA									
MOYA GOODE									
1P 18301	XM	100							57
HUBBARD MOYA									
1M 43011	XM	100							
SCOTT									
1K 18301	TN	104	1291	612	679	1000	1679	1000	51
NORTHWEST PRODUCTION CORPORATION									
29 9 SAN JUAN									
1C 35299	N	96	1814	2091	277 EX	2527	2250	2359	372
PAN AMERICAN PETROLEUM CORPORATION									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
ABRAMS GAS UNIT A 1 26291 SOS			3674-	6501	10175 EX	1946	8229-	1817	254
ABRAMS GAS UNIT B 1M 25291 SOS			1469-	5558	7027 EX	1736	5291-	1621	218
ABRAMS GAS UNIT C 1E 25291 SOS			4160-	6262	X010422 EX	1760	8662-	1643	222
ABRAMS GAS UNIT D 1I 29291 SOS			7385-		7385 EX	1800	5585-	1681	229
ARMENDT 7A GAS UNIT A 1D 27291 SOS	S		4899	115	4784	2132	6916	1991	286
CHAVEZ 3 29291 SOS			434-	262	696 EX	1568	872	1464	189
FAVERE 1 62991 SOS			4155-	63	4218 EX	1876	2342-	1752	242
FEDERAL 3 29591 SOS			986	6095	5109 EX	1806	3303-	1687	230
GONZALES A 1 29591 SOS			4731	2834	1897	1073	2970	1002	104
HANSEN GAS UNIT A 1 29291 SOS			5730-	837	6567 EX	2057	4510-	1920	273
KEYS 3 29291 SOS			373-	2780	3153 EX	1504	1649-	1404	178
KEYSER GAS UNIT 1 29291 SOS			2974-	46	3020 EX	1102	1918-	1029	109
LEA GAS UNIT 1 29291 SOS			914-	2516	3430 EX	1364	2066-	1274	154
LIKES GAS UNIT B 1 29291 SOS			599-	3040	3639 EX	1643	1996-	1534	202
MADDOX GAS UNIT A 1 29291 SOS			3951-	9319	13270 EX	2417	10853-	2257	335
MADDOX GAS UNIT B 1 29291 SOS			5252-	10065	15317 EX	2802	12515-	2616	401
MARTIN GAS UNIT B 1 29291 SOS			333-	169	502 EX	1166	664	1089	120
MARTIN GAS UNIT D 1 29291 SOS			119-	203	322 EX	1009	687	942	93
MCDONALD GAS UNIT A 1 62991 SOS			4792-	6549	X011341 EX	1771	9570-	1654	224
MORRIS GAS UNIT 1 26291 SOS			964-	1569	2533 EX	1067	1466-	997	103
M. PEARSON UNIT 1 28291 SOS			2306-	2806	5112 EX	1608	3504-	1502	196
PRESLEY GAS UNIT 1 21291 SOS			2119-	187	2306 EX	1830	476-	1708	234
W. R. HALE 2 43091 SOS			6067-	4338	10405 EX		10405-		
SANCHEZ GAS UNIT 1 28291 SOS			1323	196	1127	2388	3515	2230	330
STATE NEW MEXICO AX 1 32291 SOS			1386	1386		2378	2378	2378	165
STATE GAS UNIT 1 29291 SOS			1555	1767	212 EX	726	514	678	41
STATE GAS UNIT 1 29291 SOS			2281	1352	929	791	1720	739	53
STATE NEW MEXICO GAS UNIT V 1 36291 SOS			5037	3928	1109	1905	3014	1779	247
TRUJILLO GAS UNIT 1 29291 SOS			2544	5066	2522 EX	1864	658-	1741	240
WALLACE GAS UNIT 2 35311 SOS			487	2391	1904 EX	1102	802-	1029	109
JOHN G. TEEL 2 01330 12 POOL OFF			1049	1049		1217	1217	1217	22
PUBCO PETROLEUM CORPORATION BRUINGTON FEDERAL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1M15301 1	N	100	816-	857	1673 EX	1399	274-	1306	160
FEDERAL									
1B 12911	N	91	12785	6921	5864	2445	8309	2283	381
2I 12911	N	100	2006	5173	3167 EX	3285	118	3067	484
3M14301 1	N	100	765-	2552	3317 EX	2511	806-	2344	351
GAGE FEDERAL									
1C33301 0	N	100	1274	4196	2922 EX	1323	1599-	1236	147
2H20301 0	XM	100	211	211		376	376	376	
STATE									
16M16301 1	N	100	883	1464	581 EX	1311	730	1225	145
17I16301 1	N	100	747	426	321	1469	1790	1371	172
20J36291 0	N	100	1943-	1630	3573 EX	1026	2547-	958	96
21N36291 0	N	100	2184-	25	2209 EX	1306	903-	1219	144
22F36291 0	N	100	2913-	42	2955 EX	1125	1830-	1051	113
23G36291 0	N	100	4818-	2584	7402 EX	1556	5846-	1453	187
24H36301 1	N	100	675	582	93	782	875	730	54
TRIEB FEDERAL									
1J33301 0	N	100	4771	6975	2204 EX	2586	382	2415	364
ROCK ISLAND OIL AND REFINING COMPANY INC.									
CARLE									
1C20301 1	XM	100	377	377		771	771	771	65
2B20301 1	N	100	2273	1781	492	1533	2025	1431	183
WRIGHT									
1E 43011	N	100	5582	1359	4223	1818	6041	1697	232
2I 92910	N	100	4735	9535	4800 EX	2627	2173-	2453	371
SKELLY OIL COMPANY									
MEXICO D FEDERAL									
1A32291 0	N	100	8741-		8741 EX	2173	6568-	2029	293
SOUTHERN UNION PRODUCTION COMPANY									
PIERCE A									
1A34291 0	N	100	561	91	470	1992	2462	1860	262
D. W. STILES									
FLORANCE POOL UNIT									
1J 83011			1009-	13	1022 EX		1022-		
RANSOM									
1I13291 1	TN	100	3164	717	2447	1000	3447	1000	52
TENNECO OIL COMPANY OPERATION									
AZTEC STATE UNIT I									
1B 23011	N	100	870	656	214	660	874	616	33
AZTEC STATE UNIT II									
1F16301 1	XM	100	554	554		871	871	871	40
AZTEC STATE UNIT III									
1H16301 1	N	100	1245	1736	491 EX	1242	751	1159	133
AZTEC STATE UNIT IV									
1K 23011	N	100	29-	386	415 EX	980	565	915	88
CHASE B FEDERAL									
1M33301 0	N	100	2207	765	1442	1000	2442	1000	37
2G33301 0	XM	100	520	520		835	835	835	36
NANCY ANN UNION UNIT									
1J 23011	N	100	798	1225	427 EX	1009	582	942	93
TEXACO INCORPORATED									
NEW MEXICO GAS UNIT B									
1D36301 0	N	100	1880	3997	2117 EX	1183	934-	1105	123
NEW MEXICO GAS UNIT D									
1M32291 0	N	100	3863-	2035	5898 EX	1265	4633-	1181	137
NEW MEXICO GAS UNIT F									
1M36301 0	N	100	1042	2068	1026 EX	1166	140	1089	120
NEW MEXICO GAS UNIT G									
1P36301 0	N	100	640	43	597	1649	2246	1540	203
GEORGE E. WILLETT									

AZTEC POOL — PASO SYSTEM CTD — JUNE

YEAR: 1963 — JULY — PAGE: 74

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
BLANCO MESAVERDE	GAS	320.00	2939	547	2537	4671	5536	2143	1780
DAKOTA	GAS	320.00	7076-	696	765 EX	1502	2276-	1445	4360
ROSA UNIT	GAS	320.00	3939	1	1	1	3939	1	1
ROSA UNIT	OIL	40.00	1	1	1	1	1	1	1
ROSA UNIT	COND	40.00	1	1	1	1	1	1	1
SAN JUAN 32-7 UNIT	GAS	320.00	4886	3926	960	4000	4846	1452	8886
SAN JUAN 32-7 UNIT	COND	40.00	61	41	EX	1	61	1	4905
SAN JUAN 32-7 UNIT	OIL	40.00	1	1	EX	1	1	1	1
SAN JUAN 32-8	GAS	320.00	6315	4	6311	6315	6315	1	4905
SAN JUAN 32-8	COND	40.00	1	1	1	1	1	1	1
SAN JUAN 32-8	OIL	40.00	1	1	1	1	1	1	1
SAN JUAN 32-9	GAS	320.00	4	1	3	4	4	1	1
SAN JUAN 32-9	COND	40.00	1	1	1	1	1	1	1
SAN JUAN 32-9	OIL	40.00	1	1	1	1	1	1	1
SOUTH BLANCO PICTURED CLIFFS	GAS	160.00	2537	2526	11	4000	2537	1452	6315
SOUTH BLANCO PICTURED CLIFFS	COND	40.00	1	1	1	1	1	1	1
SOUTH BLANCO PICTURED CLIFFS	OIL	40.00	1	1	1	1	1	1	1
SOUTH BLANCO TOCITO DAKOTA	GAS	320.00	1	1	1	1	1	1	1
SOUTH BLANCO TOCITO DAKOTA	COND	40.00	1	1	1	1	1	1	1
SOUTH BLANCO TOCITO DAKOTA	OIL	40.00	1	1	1	1	1	1	1
SOUTH BLANCO TOCITO GALLUP	GAS	320.00	1	1	1	1	1	1	1
SOUTH BLANCO TOCITO GALLUP	COND	40.00	1	1	1	1	1	1	1
SOUTH BLANCO TOCITO GALLUP	OIL	40.00	1	1	1	1	1	1	1
SOUTH BLANCO WILDCAT	GAS	320.00	1	1	1	1	1	1	1
SOUTH BLANCO WILDCAT	COND	40.00	1	1	1	1	1	1	1
SOUTH BLANCO WILDCAT	OIL	40.00	1	1	1	1	1	1	1
WILDCAT	GAS	320.00	1	1	1	1	1	1	1
WILDCAT	COND	40.00	1	1	1	1	1	1	1
WILDCAT	OIL	40.00	1	1	1	1	1	1	1

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
ARMENTA FED	DERAL								
1H 27291 0	N	100	5558	7993	2435 EX	2714	279	2534	386
SANCHEZ FED	DERAL								
1M 34301 0	N	100	9807		9807	1894	11701	1768	245
2J 34301 0	XM	100	1021	1021		1074	1074	1074	39
SANCHEZ A	FED	ERAL							
1H 16228 9	N	100	5860		5860	1352	7212	1263	152
2E 16228 9	N	100	7028	2179	4849	1381	6230	1290	157
WRIGHT POOL	UNIT	STATE							
XO 1N 16 2 8 9	XM	100	746	746		1135	1135	1135	32
ZACHRY FED	ERAL								
1 2N 22810	N	127	16729	4886	11843	2317	14160	2163	233
2 2N 35229 1 0	N	100	9682	4641	5041	2057	7098	1920	273
3 2D 35229 1 0	N	100	8772	5630	3142	1777	4919	1659	225
4 2D 34229 1 0	N	100	10980	4681	6299	2161	8460	2018	291
5 1D 22810	N	123	11228	3769	7459	1844	9303	1722	177
6 1D 22810	N	122	13801	5567	8234	2322	10556	2168	247
7 2M 34229 1 0	N	100	4694	5573	879 EX	1975	10966	1844	259
8 2A 33229 1 0	N	100	4302	5094	792 EX	2214	14222	2067	300
9 2D 33229 1 0	N	100	5187	4288	899	2627	35226	2453	371
10 2D 34229 1 0	N	100	3697	4234	537 EX	1847	13100	1725	237
11 1M 10228 1 0	N	121	3321	3507	186 EX	1346	11600	1257	111
13 2N 33229 1 0	N	100	1677		1677	3029	4706	2827	440
PIPELINE	TOTAL		331685	84010	247675	134885	3825 60	1264 08	
SOUTHERN UNION GATHERING SYSTEM									
AZTEC OIL AND GAS COMPANY									
GRENIER FED	DERAL								
6K 22031 1 1	MN	100				5466	5466	5466	440
7E 20311 1	NN	100	6754	1085	5669	1888 2	7551	1757	243
8M 18311 1	NN	100	4624		4624	2423	7047	2262	336
9B 13311 2	MN	94	826	826		1919	1919	1919	275
10E 18311	M	100				1758	1758	1758	190
HAMPTON									
1D 13301 1	N	100	21811-		21811 EX	5095	16716-	4756	795
2L 13301 1	N	100	2173-		2173 EX	1504	669-	1404	178
3A 14301 1	N	100	47		47	3250	3297	3034	478
NYE FEDERAL									
5C 12301 1	N	100	5566		5566	1515	7081	1415	180
6L 12301 1	N	100	4131		4131	1725	5856	1610	216
7O 12301 1	N	100	332-		332 EX	1160	828	1083	119
8D 13011	N	100	14444		14444	3523	17967	3289	525
9D 13011	XM	100				780	780	780	206
12G 12301 1	N	100	810		810	968	1778	904	86
SOUTHERN UNION PRODUCTION COMPANY									
ALBRIGHT A									
1A 25301 1	N	100	16545-	378	XO16923 EX	1591	15332-	1485	193
CALLOWAY									
1A 33011	N	100	1168-	493	1661 EX	1242	419-	1159	133
HAYNIE									
1G 43011	TN	100	1600		1600	1000	2600	1000	33
SEXTON									
1D 33011	N	100	1178-		1178 EX	1370	192	1279	155
JOHN H. TRIGG									
FEDERAL V SAN JUAN									
1F 14301 1	N	100	13293-		XO13293 EX	1585	11708-	1480	192
PIPELINE	TOTAL		17698-	2782	20480 EX	39756	19276	37840	
POOL TOTAL			607918	634488	26570 EX	641768	615198	603703	
BALLARD PICTURED CLIFF POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
AMERADA PETROLEUM CORPORATION									
JICARILLA APACHE B CONTRACT 11									
1F 2024 5	N	100	152-	261	413 FX	529	116	933	82
2P 2024 5	N	100	566	316	250	548	798	967	88
3D 1924 5	XM	100	193	193		238	238	238	11
4P 1924 5	XM	100	402	402		717	717	717	28
5D 2924 5	N	100	3440-	617	4057 FX	854	3203-	1506	184
6P 2924 5	N	100	2223-	203	2426 FX	2895	469	5105	825
7D 3024 5	XM	100	606	606		796	796	796	24
8P 3024 5	N	100	183	834	651 FX	523	128-	922	80
JICARILLA APACHE D CONTRACT 40									
1L 3524 5	XM	100	627	627		1188	1188	1188	33
AMERICAN PETROFINA COMPANY OF TEXAS									
BOLACK FEDERAL									
1P 125 8	N	100	407	724	317 FX	602	285	1062	105
2I 625 7	N	100	2397	1782	615	1102	1717	1944	262
3P 3126 7	N	100	3652	1573	2079	618	2697	1090	110
BOLACK B FEDERAL									
1O 124 6	N	100	1914	1278	636	733	1369	1292	146
2K 124 6	XM	100	284	284		354	354	354	35
FOSTER FEDERAL									
1L 1325 8	AM	100	325	325					
FOSTER A FEDERAL									
1D 825 7	N	100	3262-	729	3991 FX	1083	2908-	1910	256
BENSON MONTIN AND GREER DRLG. CORP.									
FOSTER RIDDLE FEDERAL									
1C 1325 8	N	100	3251	3431	180 FX	1188	1008	2095	289
2G 2526 8	N	100	2680	511	2169	1128	3297	1989	270
4C 2526 8	N	100	7709	2456	5253	1121	6374	1978	268
6A 1325 8	N	100	4380	1813	2567	876	3443	1545	191
7P 1325 8	N	100	2724	925	1799	1774	3573	3129	473
NCRA STATE									
1E 224 6	N	100	652	786	134 FX	465	331	821	62
2E 1624 6	N	100	2489-	306	2795 FX	886	1909-	1562	194
4P 1624 6	N	100	8	388	380 FX	962	582	1697	218
5E 3624 6	XM	100	793	793		747	747	747	29
6I 3624 6	N	100	631-	40	671 FX	663	8-	1169	124
7K 1624 6	N	100	6090	1034	5056	870	5926	1534	189
8H 1624 6	N	100	367-	404	771 FX	911	140	1607	202
KEN BLACKFORD									
JICARILLA APACHE CONTRACT 37 SEC. 13									
1M 1324 5	XM	100	184	184		260	260	260	25
JICARILLA APACHE CONTRACT 37 SEC. 14									
1P 1424 5	XM	100	233	233		310	310	310	42
JICARILLA APACHE CONTRACT 37 SEC. 23									
1D 2324 5	N	100	172	455	283 FX	765	482	1349	156
JICARILLA APACHE CONTRACT 37 SEC. 24									
1O 2424 5	N	100	8	280	272 FX	551	279	972	89
2M 2424 5	N	100	1122	478	644	1109	1753	1955	264
JICARILLA APACHE CONTRACT 37 SEC. 25									
1G 2524 5	XM	100	709	709		873	873	873	44
JICARILLA APACHE CONTRACT 13									
2P 2324 5	N	100	939	1212	273 FX	577	304	1017	97
3K 2324 5	N	100	393	932	539 FX	644	105	1135	118
CENTRAL PRODUCTION CO									
CP STATE									
1H 224 6				6162	6162 FX		6162-		
2K 3624 6				6469	6469 FX		6469-		
3H 3624 6				12896	12896 FX		12896-		
4P 224 6				5003	5003 FX		5003-		
CONTINENTAL OIL COMPANY									
JICARILLA APACHE D CONTRACT 42									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
2M1924 4	N	78	3147	752	2395	909	3314	1621	286
JICARILLA	APC	ACHE F CONTRACT 78							
2D1323 5	N	100	1044	63	981	813	1794	1433	171
JICARILLA	APC	ACHE P CONTRACT 45							
1E1923 4	N	100	1814-	116	1930 EX	634	1296-	1118	115
EL PASO NATURAL GAS COMPANY									
BALLARD									
1M1022 6 9	N	100	10364	10290	74	1621	1695	2859	425
2D1122 6 9	N	100	85-		85 EX	828	743	1461	176
3H1422 6 9	I	100	4451	3122	1329	781	2110	1377	161
4M1422 6 9	I	100	1111		1111	1118	2229	1972	267
5D1422 6 9	I	100	4249	4269	20 EX	832	812	1467	177
6E1422 6 9	BI	100	2894		2894	1593	4487	2809	416
7E1522 6 9	I	100	5556-		5556 EX	1198	642	2112	292
8H1522 6 9	I	100	97133	7964	1749	1157	2906	2039	279
9O1522 6 9	I	100	41199-		4119 EX	981	3138-	1730	224
10L1522 6 9	I	100	1833	1840	7 EX	644	637	1135	118
BOLACK C E	FEE	EARL							
6J3127 8	N	100	1822	1999	177 EX	510	333	899	76
BOLACK E FEE		EARL							
2G1223 6	N	100	668	919	251 EX	418	167	737	47
4I1223 6	XM	100	159	159		209	209	209	7
BUD OIL SPAH		NAV	AJO						
1M1926 8	N	100	7230	2623	4607	1539	6146	2713	399
CANYON LARGO		UNIT							
1O3244 6	N	100	1135	534	601	379	980	669	35
2D4422 6	XM	100	1888	1888		1323	3211	3233	111
3H2422 6	N	100	15422	2189	647 EX	1386	3239	2444	351
5A 2 1422 6	N	100	1266-		126 EX	507	381	894	75
7A 2 7422 6	XM	100	4022	4022		1777	1777	1777	6
8A 1 2422 7	N	100	29933	2582	411	1594	2005	2811	371
9A 1 2422 7	N	100	2414	631	1783	1155	1755	1171	74
10A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
11A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
12A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
13A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
14A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
15A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
16A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
17A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
18A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
19A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
20A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
21A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
22A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
23A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
24A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
25A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
26A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
27A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
28A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
29A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
30A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
31A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
32A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
33A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
34A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
35A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
36A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
37A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
38A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
39A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
40A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
41A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
42A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
43A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
44A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
45A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
46A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
47A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
48A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
49A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
50A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
51A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
52A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
53A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
54A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
55A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
56A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
57A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
58A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
59A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
60A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
61A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
62A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
63A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
64A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
65A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
66A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
67A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
68A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
69A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
70A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
71A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
72A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
73A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
74A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
75A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
76A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
77A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
78A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
79A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
80A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
81A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
82A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
83A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
84A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
85A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
86A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
87A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
88A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
89A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
90A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
91A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
92A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
93A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
94A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
95A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
96A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
97A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
98A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
99A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74
100A 1 2422 7	N	100	1411	536	875	1155	1755	1171	74

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
71O1124 6	N	100	6462	1653	4809	1086	5895	1916	257
73C1224 6	N	100	942	1263	321EX	472	151	832	64
74G2624 6	N	100	154		154	513	667	905	77
75C2124 6	XM	100	382	382		482	482	482	17
76H1724 6	N	100	497		497	612	1109	1079	108
77F 924 6	N	100	3383-		3383EX	1491	1892-	2629	384
78E1525 7	N	100	153-		153EX	682	529	1203	130
79D2125 7	N	100	670	993	323EX	864	541	1523	187
80O3525 7	N	100	3014-	157	3171EX	2666	505-	4701	753
81K3425 7	N	100	18105-		18105EX	4844	13261-	8542	1437
82I3425 7	N	100	4554-	140	4694EX	3484	1210-	6144	1010
83D 124 6	N	114	1679	1010	669	455	1124	803	41
84N1324 6	N	100	1392-		1392EX	621	771-	1096	111
85I1324 6	N	100	1226	748	478	450	928	793	57
86J3524 6	N	100	627	1080	453EX	625	172	1102	112
87G 124 6	N	114	160	1909	1749EX	684	1065-	1207	104
88D 224 7	N	100	932		932	1567	2499	2764	408
91I1724 6	N	100	4787	1109	3678	615	4293	1085	109
92L 924 6	N	100	795-		795EX	1204	409	2124	294
96G 324 7	N	108	1009	1054	45EX	522	477	920	68
97A 224 7	N	108	1830	756	1074	458	1532	808	49
98D2624 6	XM	100	377	377		587	587	587	25
99M3625 7	N	100	1010-	3342	4352EX	1287	3065-	2270	320
102C3225 6	N	100	2807	2400	407	1093	1500	1927	259
104K 324 7	N	100	2407		2407	1179	3586	2079	286
105C2525 7	N	100	2563	3374	811EX	828	17	1461	176
108L1524 6	N	100	951-		951EX	771	180-	1360	158
113M 824 6	N	100	610-		610EX	1523	913	2685	394
CRANDELL FEDERAL									
1M1126 9	N	100	7587	5889	1698	902	2600	1590	199
2P1126 9	N	100	3483	3637	154EX	787	633	1388	163
CUCCIA STATE									
1I3227 8	N	100	1898	3484	1586EX	497	1089-	877	72
3M3227 8	N	100	3597	6388	2791EX	1201	1590-	2118	293
DE NA HOA ZA NAVAJO									
1D1826 8	N	100	127	142	15EX	883	868	1556	193
DONOHUE FEDERAL									
1M 725 7	N	100	3216	1766	1450	723	2173	1276	143
FOSTER FEDERAL									
1H 725 7	N	100	184	152	32	446	478	787	56
2F 725 7	N	100	1205	1347	142EX	376	234	664	34
GE ELE GU LITH E NAVAJO									
1M 726 8	N	100	3247	3712	465EX	848	383	1495	182
GRAHAM A									
1A2425 8	N	100	6491	3241	3250	1271	4521	2241	315
HAMILTON STATE									
5O3226 7	TN	100	1728	946	782	1000	1782	1000	25
6G3226 7	XM	100	438	438		483	483	483	13
7C3226 7	N	100	501	586	85EX	424	339	748	49
XO 8M3226 7	XM	100	552	552		629	629	629	18
9O 225 8	N	100	1655	1291	364	491	855	866	70
HARVEY STATE									
1I1625 7	XM	100	267	267		278	278	278	11
2C1625 7	N	100	2036	1711	325	453	778	798	58
6A1625 7	N	100	1309		1309	1121	2430	1978	268
7M1625 7	N	100	1859	1243	616	497	1113	877	72
8L3225 6	XM	100	866	866		913	913	913	35
HA SOSA NAVAJO									
1C3126 8	N	100	1084-	1009	2093EX	424	1669-	748	49
HUERFANO UNIT									
27A2326 9	N	100	1388-		1388EX	889	499-	1568	195
28P 926 9	N	100	8990	6796	2194	1195	3389	2107	291
29F 926 9	N	100	1430	1069	361	427	788	753	50
32I2326 9	N	100	442-		442EX	1867	1425	3292	502
35A2126 9	N	100	5259	4472	787	908	1695	1601	201
36D2326 9	N	100	7592	10211	2619EX	1424	1195-	2511	363
46K2326 9	N	100	14709	14160	549	2067	2616	3645	565

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
47A 926 9	N	100	2453	2215	238	870	1108	1534	189
48K 926 9	XM	100	589	589		673	673	673	45
49H 526 9	N	100	1534	882	652	395	1047	697	40
50H2 226 9	N	100	6240		6240	4376	10616	7717	1290
51C2 126 9	XM	100	121	121		178	178	178	9
55H2 726 9	N	100	1060	1101	41 EX	402	361	708	42
57L2 626 9	TN	100	1759	356	1403	1000	2403	1000	18
58C2 626 9	N	100	9547	4952	4595	1306	5901	2303	326
59B2 626 9	N	100	1655	6564	4909 EX	1332	3577-	2348	334
93D2 226 9	N	100	8176	11493	3317 EX	3733	416	6582	1088
94P2 226 9	N	100	5566		5566	1500	7066	2646	387
97F1 626 9	N	100	22142	23612	1470 EX	3504	2034	6178	1016
98P1 626 9	N	100	8189	9076	887 EX	2914	2027	5139	831
HUERFANITO UNIT									
11A 126 9	N	100	2484-	1655	4139 EX	672	3467-	1186	127
12D 126 9	N	100	1926	2370	444 EX	809	365	1427	170
13N 126 9	N	100	4166	2035	2131	1093	3224	1927	259
14O 126 9	M	100	1211	1211		1349	1349	1349	79
15A 226 9	N	100	3474	3124	350	867	1217	1528	188
16D 226 9	N	100	2079	2640	561 EX	612	51	1079	108
17N 226 9	N	100	1287	1603	316 EX	711	395	1253	139
18O 226 9	N	100	1097		1097	469	1566	826	63
19H 326 9	N	100	3107	1624	1483	555	2038	978	90
20E 326 9	N	100	2097	2531	434 EX	621	187	1096	111
21O 326 9	N	100	2763	1372	1391	714	2105	1259	140
22H 426 9	TN	100	1012	761	251	1000	1251	1000	76
23C 426 9	XM	100	305	305		433	433	433	20
24K 426 9	N	100	2164	3594	1430 EX	1469	39	2590	377
25P 426 9	N	100	3551	5345	1794 EX	1179	615-	2079	286
26P3 327 9	N	100	1699	1288	411	583	994	1029	99
27M3 427 9	N	100	1817	1907	90 EX	1013	923	1787	234
28P3 427 9	XM	100	466	466		714	714	714	15
29M3 527 9	XM	100	426	426		629	629	629	20
30P3 527 9	XM	100	621	621		729	729	729	19
31L3 327 9	TN	100	1033	835	198	1000	1198	1000	97
32D3 327 9	XM	100	379	379		629	629	629	16
33G3 327 9	XM	100	520	520		689	689	689	35
34F3 427 9	XM	100	258	258		345	345	345	10
35A3 427 9	N	100	1681	1675	6	558	564	984	91
36E3 527 9	N	100	3143	3049	94	653	747	1152	121
38O2 827 9	XM	100	54	54		172	172	172	6
39K2 727 9	XM	100	344	344		607	607	607	32
40I2 727 9	XM	100	328	328		566	566	566	28
42E2 727 9	XM	100	555	555		876	876	876	35
47G2 727 9	XM	100	596	596		923	923	923	31
48L2 627 9	N	100	2243	928	1315	523	1838	922	80
49G3 527 9	N	100	4917	5448	531 EX	1456	925	2567	373
50E3 627 9	XM	100	431	431		756	756	756	25
51N3 627 9	TN	100	2236	824	1412	1000	2412	1000	47
52O3 627 9	N	100	2078	794	1284	536	1820	944	84
62D1 126 9	N	100	1794	1147	647	405	1052	714	43
63A1 126 9	XM	100	574	574		726	726	726	108
64D1 226 9	N	100	2356	1953	403	653	1056	1152	121
65M1 226 9	N	100	3250	682	2568	510	3078	899	76
66H1 226 9	N	100	960	1301	341 EX	475	134	838	65
67O1 226 9	N	100	1170		1170	714	1884	1259	140
68M 326 9	N	100	1722	1447	275	523	798	922	80
69D1 026 9	N	100	2506	2567	61 EX	985	924	1736	225
70A1 026 9	N	100	4215	3092	1123	647	1770	1141	119
HUGHES FEDERAL									
9N3 026 7	N	100	1996	3934	1938 EX	1058	880-	1865	248
11B3 026 7	N	100	2273		2273	997	3270	1759	229
12N2 926 7	XM	100	867	867		907	907	907	35
13A2 926 7	XM	100	742	742		826	826	826	35
14J3 026 7	N	100	457-		457 EX	950	493	1674	214
15F3 026 7	N	100	248-		248 EX	806	558	1422	169
HUN NOP PI NAVAJO									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1F1926 8	N	100	1317	1585	268 EX	762	494	1343	155
JICARILLA APACHE A CONTRACT 36									
1E2124 5	XM	100	297	297		378	378	378	12
2M1624 5	N	100	1161	2764	1603 EX	580	1023-	1023	98
3A2224 5	N	100	1642	793	849	516	1365	911	78
4I1524 5	XM	100	271	271		397	397	397	13
JICARILLA APACHE P CONTRACT 12 AND 13A									
1H2824 5	N	100	2242-	154	2396 EX	924	1472-	1629	206
3L2724 5	N	100	5511-		5511 EX	571	4940-	1006	95
4N2124 5	N	100	153	673	520 EX	478	42-	843	66
5B3424 5	N	100	1257	1314	57 EX	602	545	1062	105
6O2724 5	N	100	1743	1120	623	765	1388	1349	156
7E3424 5	XM	100	279	279		751	751	751	40
8H3324 5	N	100	2062	2987	925 EX	1516	591	2674	392
9K2824 5	N	100	1125	1002	123	520	643	916	79
10C2824 5	N	100	1664	926	738	437	1175	770	53
11C3324 5	N	100	1120	2241	1121 EX	1319	198	2326	330
12M2224 5	TN	100	2002	607	1395	1000	2395	1000	29
JICARILLA APACHE CONTRACT 183									
1E2823 3	N	100	5291-	1093	6384 EX	1526	4858-	2691	395
2M2723 3	N	100	5902	4301	1601	1230	2831	2168	302
KAH DES PAH NAVAJO									
1K1826 8	N	100	2879	1232	1647	924	2571	1629	206
KA SOUSE NAVAJO									
1I2526 9	N	100	834	839	5 EX	596	591	1051	103
MAGNOLIA POOLED UNIT STATE									
1I3227 9	XM	100	307	307		454	454	454	13
MANROSE STATE									
1L 225 8	N	100	3027	1403	1624	602	2226	1062	105
MCCONNELL FEDERAL									
1D1326 9	N	100	914-		914 EX	1083	169	1910	256
2O1326 9	N	100	1812-		1812 EX	1023	789-	1803	237
3G1326 9	N	100	1170		1170	497	1667	877	72
4K2426 9	N	100	3907		3907	4048	7955	7138	1187
5C2426 9	N	100	5389		5389	1943	7332	3426	526
6A2526 9	N	100	6740	7492	752 EX	2765	2013	4875	784
MCMANUS FEDERAL									
1P3026 8	N	100	4629	2734	1895	768	2663	1354	157
2C 425 8	N	100	1731	2487	756 EX	774	18	1365	159
3J3326 8	N	100	2024	2043	19 EX	571	552	1006	95
4O1926 8	N	100	4781	1022	3759	864	4623	1523	187
5O 425 8	N	100	5140	1658	3482	895	4377	1579	197
6D3326 8	N	100	1554	997	557	437	994	770	53
7I3126 8	N	100	2222	644	1578	494	2072	871	71
8A3126 8	N	100	2399	1006	1393	618	2011	1090	110
9M3326 8	N	100	2153	2616	463 EX	1510	1047	2663	390
10A 425 8	N	100	6131	3288	2843	1841	4684	3247	494
11A3026 8	N	100	2851	1015	1836	1698	3534	2994	449
12N2926 8	N	100	5259	3200	2059	1242	3301	2191	306
13N 425 8	N	100	1583	1617	34 EX	637	603	1124	116
14A3326 8	N	100	1758	400	1358	529	1887	933	82
MITCHAM STATE									
1G 225 8	N	100	4408	1469	2939	816	3755	1438	172
NAW DI DES WOOD NAVAJO									
1F3026 8	N	100	4938	3764	1174	1940	3114	3421	525
PAYNE FEDERAL									
5G1425 8	M	100	1095	1095		1571	1571	1571	100
6D1425 8	TN	100	1447	589	858	1000	1858	1000	87
SCHULTZ PAYNE FEDERAL									
XO3I1425 8	N	100	7932	938	6994	727	7721	1281	144
PAYNE A FEDERAL									
1M1326 9	XM	100	1628	1628		615	615	615	69
PIPKIN B FEDERAL									
1C 123 6	N	100	1961	1379	582	765	1347	1349	156
QUITZAU FEDERAL									
1D 325 8	IN	100	3126	569	2557	526	3083	927	81
2F1125 8	IN	100	12367	1008	11359	905	12264	1596	200

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
3P 1 1 2 5 8	BIN	1.00	16018		16018	1497	17515	2640	386
4O 3 2 2 5 8	BIN	1.00	8666	1319	7347	9997	8344	1759	229
5M 3 2 2 5 5 8	BIN	1.00	4599	5615	1016 EX	1895	8799	3342	511
6A 1 0 0 2 2 5 5 8	BIN	1.00	8487	3795	4692	1949	6641	3438	528
7D 1 1 0 0 2 2 5 5 8	BIN	1.00	9322	9322		1472	1472	1472	96
8A 1 1 1 2 2 5 5 8	BIN	1.00	7833	7833		1882	1882	1882	52
9M 1 1 1 2 2 5 5 8	BIN	1.00	1000	1000		1630	1630	1630	159
10P 1 1 0 2 2 5 5 8	BIN	1.00	1183	1183		1960	1960	1960	141
11A 3 2 2 5 8	INJ	1.00	760	1527	767 EX	1045	278	1843	244
QUITZAU A	FEDERAL								
1A 9 2 5 8	INJ	1.00	4749	1558	3191	749	3940	1321	151
SHEET S A	FEDERAL								
1C 3 1 2 6 7	INJ	1.00	1971	216	1755	663	2418	1169	124
2F 6 2 2 5 5 7	INJ	1.00	2992	2084	908	586	1494	1034	100
3D 1 2 2 5 5 8	INJ	1.00	5585		5585	1176	6761	2073	285
4E 1 2 2 5 5 8	TEMP	1.00	2100	868	1232	1000	2232	1000	51
SHEET S B	FEDERAL								
1O 1 2 2 5 5 8	EXMD	1.00	299	299		576	576	576	29
SHEET S C	FEDERAL								
2M 1 2 2 5 5 8	INJ	1.00	2352	2352		5158	5158	5158	294
3H 1 1 2 2 5 5 8	INJ	1.00	410	861	451 EX	720	269	1270	142
4M 1 1 2 2 5 5 8	INJ	1.00	1608	1609	1 EX	583	582	1029	99
5H 1 1 2 2 5 5 8	INJ	1.00	712	958	246 EX	488	242	860	69
6M 1 1 2 2 5 5 7	INJ	1.00	1397	625	772	688	1460	1214	132
7B 1 6 2 2 5 5 7	INJ	1.00	1246	1077	169	819	988	1444	173
8N 3 1 2 2 6 7	INJ	1.00	6859	2464	4395	1071	5466	1888	252
STATE A									
1O 3 2 2 6 8	INJ	1.00	1659	1231	428	1112	1540	1961	265
2Q 3 2 2 6 8	INJ	1.00	251	877	626 EX	739	113	1304	148
STROMBERG JICARILLA APACHE									
1 2 2 9 0 2 2 3 3 3	INJ	1.00	6531-	901	1554 EX	965	589-	1702	219
2 5 A 3 3 2 3 3 3	INJ	1.00	47022	1238	3464	3029	6493	5341	867
1 0 1 2 2-					56	1068 EX	2736	1668	4825	775
YO 6 C 3 3 4 2 2 3 3 3	INJ	1.00	1695	1841	146 EX	1335	1189	2354	335
7 C 3 3 3 2 2 3 3 3	INJ	1.00	932	409	523	765	1288	1349	156
TEXAS NAVAJO A	INJ								
1B 5 2 2 5 8	INJ	1.00	2270	1220	1050	730	1780	1287	145
THOMPSON A									
1D 2 4 2 6 9	INJ	1.00	3204	5037	1833 EX	2742	909	4836	777
THOMPSON B									
1G 2 4 2 6 9	INJ	1.00	3916	6497	2581 EX	2128	453-	3752	584
THREE STATE A									
1E 1 6 2 6 8	INJ	1.00	5784	5140	644	819	1463	1444	173
TURNER ST A									
1D 3 6 6 2 6 8	INJ	1.00	1591	965	626	532	1158	939	83
1I 3 3 6 2 6 8	INJ	1.00	1237	941	296	1000	1296	1000	47
1C 3 2 2 7 9	INJ	1.00	160	160		220	220	220	15
WHANN UO NE S	AVAJO								
1K 3 0 2 6 8	INJ	1.00	3830	1256	2574	1160	3734	2045	280
WILLIAMS N A	JO								
1F 7 2 6 8	INJ	1.00	580	334	246	1115	1361	1966	266
WILSON A	TAOS								
1D 3 2 2 6 8	BIN	1.00	14730-		14730 EX	1599	13131-	2820	418
2K 3 2 2 6 8	INJ	1.00	10723	3770	6953	1596	8549	2814	417
WRIGHT ST A	TEN								
1E 2 2 5 8	INJ	1.00	3338	2740	598	749	1347	1321	151
DOUGLAS E. FLORANCE									
STROMBERG JICARILLA APACHE CONTRACT 15									
3F 2 0 2 3 3	INJ	1.00	372	211	161	456	617	804	59
STROMBERG JICARILLA APACHE CONTRACT 54									
4A 3 3 2 3 3	INJ	1.00	164	213	49 EX	421	372	742	48
FOSTER AND RIDDLE									
RIDDLE FEDERAL									
1B 4 2 5 7	INJ	1.00	171-	184	355 EX	488	133	860	69

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
E. B. GERMANY									
NANCY CUTLER FEDERAL									
1G2424 6	XM	100	623	623		635	635	635	32
2A1424 6	N	100	354	634	280EX	478	198	843	66
511024 6	N	100	1227	972	255	453	708	798	58
7M2324 6	N	100	833	772	61	459	520	810	60
GULF OIL CORPORATION									
JICARILLA APACHE CONTRACT 69									
1N1724 5	N	100	502	403	99	695	794	1225	134
2M 824 5	N	100	1230-	97	1327EX	418	909-	737	47
4M 724 5	M	100	1198	1198		1233	1233	1233	100
5H1824 5	N	100	401	228	173	491	664	866	70
6G 724 5	N	100	381	428	47EX	841	794	1483	180
7G1724 5	XM	100	529	529		550	550	550	32
JAY J. HARRIS									
JICARILLA APACHE CONTRACT 12									
502124 5	XM	100	102	102		191	191	191	5
612824 5	N	100	509-	886	1395EX	504	891-	888	74
KAY KIMBELL									
LIBERMAN FEDERAL									
2M 425 7	TN	100	2308	777	1531	1000	2531	1000	33
3D 525 7	N	100	1974	753	1221	465	1686	821	62
4N 525 7	N	100	774-	173	947EX	488	459-	860	69
5N1926 7	N	100	10784	1147	9637	1956	11593	3449	530
SALAZAR FEDERAL									
2L3425 6	XM	100	615	615		793	793	793	35
LA PLATA GATHERING SYSTEM INC.									
CANYON LARGO FEDERAL									
62D 925 7	N	100	2613-	33	2646EX	599	2047-	1057	104
T. H. MC ELVAIN									
FEDERAL									
1H1224 7	N	100	1514	1676	162EX	736	574	1298	147
J GREGORY MERRION AND ASSOCIATES									
EDNA FEDERAL									
2O 724 6	N	100	5218-	13299	18517EX	6195	12322-	10923	1861
4H 724 6	N	100	5636	87	5549	1147	6696	2022	276
PUBCO PETROLEUM CORPORATION									
HUGHES FEDERAL									
3M3426 7	N	100	1898-	367	2265EX	504	1761-	888	74
OTERO FEDERAL									
1J1424 6	N	100	965-	137	1102EX	504	598-	888	74
2M1424 6	N	100	2459-		2459EX	832	1627-	1467	177
4G2324 6	XM	100	491	491		847	847	847	34
R AND G DRILLING COMPANY INCORPORATED									
JICARILLA APACHE CONTRACT 37A									
9M1424 5	XM	100	384	384		511	511	511	
14B2324 5	XM	100	204	204		288	288	288	
ROCK ISLAND OIL AND REFINING COMPANY INC.									
GREER STATE									
1H1626 9	N	100	2746-	64	2810EX	2198	612-	3876	606
2K1626 9	N	75	4875	66	4809	867	5676	1528	278
SKELLY OIL COMPANY									
FARMING B STATE									
1H3227 9	N	100	578	1139	561EX	408	153-	720	44
JICARILLA APACHE B CONTRACT 68									
1M 624 5	N	100	470	876	406EX	430	24	759	51

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
V. R. NORDHAUS FEDERAL									
1D1925 7	N	100	8640	6004	2636	2376	5012	4190	662
SOUTHERN UNION PRODUCTION COMPANY									
JICARILLA APACHE CONTRACT 47									
1G1123 4	N	100	1027	1268	241 EX	765	524	1349	156
JICARILLA APACHE M CONTRACT 47									
1C1123 4	XM	100	638	638		1202	1202	1202	29
SOUTHWEST PRODUCTION CO									
BOND FEDERAL									
1N1326 8	N	100	6689	6385	304	854	1158	1506	184
2D1326 8	N	100	1110	60	1050	536	1586	944	84
SUPERIOR OIL COMPANY									
JICARILLA APACHE CONTRACT 55									
2M3523 3	N	100	2882	800	2082	1242	3324	2191	306
U S SMELTING AND REFINING COMPANY									
JICARILLA APACHE CONTRACT 70									
1M3324 4	XM	100	244	244		326	326	326	11
JICARILLA APACHE CONTRACT 71									
1P 323 4	XM	100	272	272		402	402	402	14
JICARILLA APACHE CONTRACT 72									
3M 223 4	XM	100	120	120		186	186	186	2
WESTERN NATURAL GAS COMPANY									
GRAHAM FEDERAL									
1C2425 8	N	100	12435	1334	11101	1163	12264	2051	281
HANNETT FEDERAL									
1A2525 8	XM	93	156	156		155	155	155	9
V. R. NORDHAUS FEDERAL									
1N1825 7	N	100	7702	895	193 EX	1045	852	1843	244
2E1825 7	N	100	1273	542	731	593	1324	1045	102
4O1175 7	N	100	2378	1026	1352	688	2040	1214	132
5H1195 7	N	100	6702	2283	4419	1297	5716	2286	323
6K1955 7	N	100	4775	2378	2397	1287	3684	2270	32 ●
PIPELINE TOTAL			608969	529447	79522	351774	431296	570984	
SOUTHERN UNION GAS PIPELINE SYSTEM									
CONSOLIDATED OIL AND GAS INCORPORATED									
FARMAR FEDERAL									
1I2426 8	N	100	35881	4917	30964	2551	33515	4499	717
CONSOLIDATED HALE FEDERAL									
1B2426 8	N	100	11978	5764	6214	2921	9135	5150	833
3A2626 8	N	100	56259	4932	51327	3965	55292	6992	1161
LINDA NAVAJO									
1M3127 8			5711-	1777	7488 EX		7488-		
SANGER FEDERAL									
1O2626 8	N	100	6728	3927	2801	819	3620	1444	173
CONTINENTAL OIL COMPANY									
JICARILLA APACHE A CONTRACT 77									
2M 9335	XM	100	100666	76833	23833	1838	42221	3241	493
3M1335	XM	100	15944	15038	906	1468	1468	3241	36
4A1335	N	100	43699-	50388	9407 EX	997	8410-	17599	229
5A 935	N	100	40688	84689	4401 EX	1755	26460-	30955	467
JICARILLA APACHE C CONTRACT 39									
1I4235	XM	100	15688	43688	28000 EX	1071	1729-	18888	252
2I4235	XM	100	42000	42200	200	1104	11004	11044	41
3I4435	N	100	49	30056	30076 EX	1086	19216	19165	257
4I3345	N	100	116800	23311	9349	969	10318	17088	220
5I3345	N	100	146222	28144	11808	870	12678	15344	189
6I3345	N	100	126439	11633	11486	857	12343	15111	185
7A 435	N	100	94239	99226	503 EX	2367	18644	41773	659

DESCRIPTION	G P	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
				JULY			JULY	JULY	AUGUST	
BALLARD GRAIN POOL SOUTH UNION SYSTEM CTD										
DESCRIPTION	G P	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
BALLARD GRAIN POOL SOUTH UNION SYSTEM CTD				JUNE			JULY	JULY	AUGUST	

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
RUTHVEN STATE									
1N1626 8	N	100	1196	666	530	571	1101	1006	95
STARR FEDERAL									
1A 626 8	N	100	1447	529	918	386	1304	680	37
2C 526 8	N	100	2342-	4030	6372 EX	1494	4878-	2635	385
PIPELINE TOTAL			347159	208275	138884	77065	215949	129881	
POOL TOTAL			956128	737722	218406	428839	647245	700865	
FULCHER KUTZ PICTURED CLIFF POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
CLAUDE A. AIKMAN			....	.....	.....	....			
MAXEY									
1A242912	TN	100	3119	478	2641	1000	3641	1000	33
BAYVIEW OIL CORPORATION			.....	.....	.....	....			
MORRIS									
4L132710	N	100	6329	887	5442	625	6067	759	107
5H152710	N	100	731-	2894	3625 EX	775	2850-	941	146
6M152710	N	100	1727	26	1701	457	2158	554	63
DEVONIAN OIL AND GAS CO			.....	.....	.....	....			
FEDERAL									
1F 42912	N	100	3412	285	3127	645	3772	782	112
EL PASO NATURAL GAS COMPANY			....	.....	.....	....			
CLEVELAND									
1A1727 9	N	100	2055		2055	740	2795	899	137
2D2277 9	X	000	750		750	925	925	925	148
3C2277 9	N	000	2055		2055	702	2757	852	127
4A2277 9	N	000	2085		2085	794	2879	964	151
5B2277 9	N	000	1162-		1162 EX	1255	93	124	2 71
6L2277 9	N	000	2020	1398	622	453	1075	549	62
7A2277 9	N	000	996	835	161	426	587	516	55
WHITE 1	R								
1A2291 2	N	000	749	749		940	940	940	60
2M2243 2	N	000	5243	750	4493	1000	4493	1000	136
3O2909 2	N	000	2909	613	2296	833	3129	1011	161
5G2318 2	N	000	2318	684	1634	1067	2701	1295	222
CONE									
6C1151 2	N	000	115	115		772	772	772	150
7C1181 2	N	000	181	181		932	932	932	99
DENTON 27 9	XM	100	571	571		585	585	585	28
FRISTOE									
1O7134 2	N	000	434	844	410 EX	364	46-	442	39
3D7113 2	X	000	2276	2276		2999	2999	2999	100
4B7113 2	N	000	2262	1942	1680 EX	3888	1292-	471	50
5H7113 2	N	000	2261	2960	2699 EX	6066	2093-	736	102
6L7113 2	XM	000	346	346		359	359	359	11
GALLAHER B 6	XM	100	329	329		362	362	362	11
GOLDEN 2 7 10	X	000	92	92		240	240	240	7
2D2277 0	N	000	1616	2792	263 EX	4100	1477	498	51
3H2277 0	N	000	5666	10552	4886 EX	4266	602-	516	55
4M2277 0	N	000	1197-	1178	2155 EX	3872	1722	470	45
5D2277 0	T	000	1898	992	906	10000	1906	1000	31
GOLDEN A 2 4	XM		95			12	12	12	
GRAHAM 2 6	XM	100	657	657		805	805	805	30
HUERFANO 2 8	N	100	1056	1233	177 EX	510	333	619	77

FULCHER KUTZ POOL EL PASO SYSTEM CTD YEAR: 1963 PAGE: 86

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE			JULY		AUGUST	ACREAGE OR DELIVERABILITY
			BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	
43L2227 9	XM	100	429	429		731	731	731	35
44E2227 9	TN	100	2082	613	1469	1000	2469	1000	31
HUERFANO UNIT									
74M192710	N	104	7572	3343	4229	1727	5956	2099	377
90E352710	N	100	3077		3077	537	3614	652	84
JOHNSON									
2I212710	XM	100	851	851		838	838	838	28
KNAUFF									
PO1A132710	N	97	309	2989	2680FX	772	1908-	938	152
2J132710	N	95	2841-	1019	3860FX	1121	2739-	1362	252
4K312810	N	103	178-	3267	3445FX	739	2706-	897	131
KUTZ CANYON									
2N 82810	N	80	2989-	2447	5436FX	759	4677-	922	191
LODEWICK									
1D1827 9	N	100	528-	376	904FX	564	340-	684	91
2G1827 9	N	100	2411		2411	1508	3919	1832	337
3D1927 9	N	100	3713	4132	419FX	1400	981	1701	309
4A1927 9	N	100	4220	4624	404FX	1040	636	1263	215
5M1927 9	XM	100	248	248		380	380	380	37
6P1927 9	N	100	4132		4132	1143	5275	1389	242
7A3027 9	XM	100							16
MCADAMS									
1H202710	N	100	128-	1233	1361FX	376	985-	456	42
2B282710	XM	100	758	758		1067	1067	1067	35
3P 52710	XM	100	799	799		904	904	904	35
4I202710	XM	100	651	651		813	813	813	28
MCADAMS A									
1K2027 9	N	100	983	1173	190FX	560	370	680	90
MORRIS									
1P152710	XM	100	972	972		1248	1248	1248	29
2J102710	XM	100	393	393		468	468	468	15
3P142710	XM	100	526	526		613	613	613	25
OMLER									
2E362810	N	100	47-	3020	3067FX	472	2595-	572	67
3O362810	N	100	5187-	1226	X006413FX	675	5738-	820	120
4B362810	N	100	6163-		X006163FX	714	5449-	866	130
5O252810	N	100	1539	3259	1720FX	752	968-	913	140
6B252810	N	100	1669-	940	2609FX	572	2037-	694	93
7C252810	N	100	4359-		X004359FX	510	3849-	619	77
8M252810	N	100	8781-		X008781FX	787	7994-	955	149
9L362810	N	100	8551-		X008551FX	752	7799-	913	140
PIPKIN									
3A172710	XM	100	740	740		707	707	707	20
4A182710	XM	100	826	826		723	723	723	19
5I 82710	XM	100	637	637		860	860	860	20
6H 72710	XM	100	846	846		686	686	686	23
7I172710	XM	100	903	903		935	935	935	30
REESE FEDERAL									
1J1727 9	TN	100	1423	1027	396	1000	1396	1000	40
ROWLEY									
1E 82710	XM	100	856	856		991	991	991	18
2L 82710	XM	100	460	460		597	597	597	12
3I 72710	XM	100	649	649		512	512	512	28
4E172710	N	100	3823	3148	675	618	1293	750	105
5K172710	XM	100	575	575		621	621	621	22
6I182710	N	100	2098-	264	2362FX	399	1963-	484	48
7K 72710	N	104	444	834	390FX	312	78-	377	22
ROWLEY B									
1C212710	XM	100	697	697		750	750	750	27
2L212710	N	100	559-	194	753FX	403	350-	488	49
ROWLEY C									
1E282710	XM	100	358	358		466	466	466	19
2K282710	XM	100	128	128		154	154	154	9
ROWLEY D									
1D272710	XM	100	523	523		500	500	500	18
2M272710	XM	100	381	381		510	510	510	22
SULLIVAN A									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1 0 2 3 2 8 1 0	N	1 0 0	1 8 9 3 -	1 0 0 1	2 8 9 4 EX	7 0 6	2 1 8 8 -	8 5 7	1 2 8
TURNER STATE									
7 K 1 6 2 7 9	N	1 0 0	1 4 3 1	2 2 9 8	8 6 7 EX	5 7 5	2 9 2 -	6 9 8	9 4
8 P 1 6 2 7 9	XM	1 0 0	3 4 3	3 4 3		7 2 2	7 2 2	7 2 2	3 2
9 D 1 6 2 7 9	N	1 0 0	4 0 9 6	7 0 1	3 3 9 5	8 5 6	4 2 5 1	1 0 3 9	1 6 7
WHITE ALLEN									
1 F 1 2 9 1 2	N	1 0 0	2 2 8 8	9 5 6	1 3 3 2	7 8 3	2 1 1 5	9 5 0	1 4 8
WHITE KUTZ									
1 E 2 2 2 8 1 0	N	1 0 0	3 0 2 2 -	4 3 0 4	X 0 0 7 3 2 6 EX	8 7 9	6 4 4 7 -	1 0 6 7	1 7 3
2 E 2 1 2 8 1 0	N	1 0 0	2 2 8 4 -	4 0 3 0	6 3 1 4 EX	9 4 8	5 3 6 6 -	1 1 5 1	1 9 1
3 B 2 0 2 8 1 0	N	1 0 0	2 5 3 7 -	5 1 7 7	7 7 1 4 EX	1 1 1 6	6 5 9 8 -	1 3 5 6	2 3 5
EMPIRE STATE DRILLING CORPORATION			. . . . .			. . . . .			
EMPIRE STATES									
1 0 1 6 2 8 1 0	N	1 0 0	1 4 4 6 0		1 4 4 6 0	5 9 8	1 5 0 5 8	7 2 6	1 0 0
FRONTIER REFINING COMPANY			. . . . .	. . . . .		. . . . .			
EVENSEN									
1 J 1 9 2 7 1 0	XM	1 0 0	5 9	5 9		1 7 0	1 7 0	1 7 0	
HAYNES AND V. T. DRILLING COMPANY			. . . . .			. . . . .			
HARTMAN									
2 A 3 1 2 9 1 1	XM	1 0 0	1 2 9	1 2 9		4 5 8	4 5 8	4 5 8	1 3 6
SALMON									
1 A 3 0 2 9 1 1	XM	1 0 0	2 4 1	2 4 1		6 3 4	6 3 4	6 3 4	8 6
VILES									
1 1 3 0 2 9 1 1	N	1 0 0	1 5 8 -	6 2	2 2 0 EX	4 5 7	2 3 7	5 5 4	6 3
HUGH MCMILLAN			. . . .	. . . . .	. . . . .	. . . . .			
COLE									
1 J 3 5 2 8 1 0	N	1 0 0	2 5 0	1 7 3 6	1 4 8 6 EX	4 5 3	1 0 3 3 -	5 4 9	6 2
PAN AMERICAN PETROLEUM CORPORATION			. . . .			. . . . .			
JACK FROST									
1 E 2 6 2 7 1 0	XM	1 0 0	5 2 0	5 2 0		5 4 0	5 4 0	5 4 0	
LUCGGORDON A									
1 D 2 2 2 7 1 0	TN	1 0 0	1 1 9 2	7 7 5	4 1 7	1 0 0 0	1 4 1 7	1 0 0 0	
LUCGGORDON B									
1 C 2 4 2 7 1 0	TN	1 0 0	1 4 8 9	8 9 4	5 9 5	1 0 0 0	1 5 9 5	1 0 0 0	4 5
2 K 2 4 2 7 1 0	N	1 0 0	3 9 5	4 0 6	1 1 EX	4 6 0	4 4 9	5 5 8	6 4
LUCGGORDON C									
1 E 2 3 2 7 1 0	TN	1 0 0	5 6 8	2 1 0	3 5 8	1 0 0 0	1 3 5 8	1 0 0 0	6 3
2 K 2 3 2 7 1 0	N	1 0 0	5 1 3 -	4 7 9	9 9 2 EX	4 6 0	5 3 2 -	5 5 8	6 4
AHUBBELL A									
1 K 3 0 2 8 1 0	XM	1 0 3	7 2 1	7 2 1		6 7 2	6 7 2	6 7 2	3 2
UBBELL GAS UNIT									
1 K 2 9 2 8 1 0	XM	1 0 0	5 4 9	5 4 9		5 4 6	5 4 6	5 4 6	2 0
EMMARTIN A									
1 K 1 4 2 7 1 0	N	1 0 0	9 3 8 -	1 7 2 9	2 6 6 7 EX	5 6 8	2 0 9 9 -	6 8 9	9 2
EMMARTIN B									
1 K 1 0 2 7 1 0	XM	1 0 0	5 8 9	5 8 9		8 1 8	8 1 8	8 1 8	3 1
EMMARTIN C									
1 A 1 4 2 7 1 0	N	1 0 0	3 3 3 3	7 9 6	2 5 3 7	1 0 8 2	3 6 1 9	1 3 1 4	2 2 6
CAMCADDAMS									
1 A 5 2 2 7 1 0	XM	1 0 0	6 7 1	6 7 1		4 1 2	4 1 2	4 1 2	1 1 3
2 K K 5 2 2 7 1 0	N	1 0 0	3 2 0 -	2 4 8 0	2 8 0 0 EX	6 9 8	2 1 0 2 -	8 4 8	1 2 6
3 C 5 2 2 7 1 0	AN	1 0 0	6 7 7 1 -		X 0 0 6 7 7 1 EX		6 7 7 1 -		
CMMORRISSB									
1 D 1 5 2 2 7 1 0	TN	1 0 0	1 2 9 1	1 1 9 5	9 6	1 0 0 0	1 0 9 6	1 0 0 0	3 5
CMMORRISSC									
1 F 1 4 2 7 1 0	N	1 0 0	1 5 2 8	1 7 1	1 3 5 7	6 2 2	1 9 7 9	7 5 4	1 0 6
RBSULLIVAN									
1 G 1 1 2 7 1 0	N	1 0 0	1 3 0 6 -	1 4 8 4	2 7 9 0 EX	1 1 5 1	1 6 3 9 -	1 3 9 8	2 4 4
2 D 1 1 2 7 1 0	N	1 0 0	7 0 7	1 9 6	5 1 1	2 2 5 2	2 7 6 3	2 7 3 7	5 3 1
PRODUCING ROYALTIES INCORPORATED			. . . . .			. . . . .			
CARROLL CORNELL									

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
11C132912	TN	100	4157	425	3732	1000	4732	1000	117
12P112912	N	100	1956	347	1609	541	2150	656	85
PUBCO PETROLEUM CORPORATION									
MCLEOD FEDERAL									
1M342810	N	100	813	3922	3109 EX	664	2445-	806	117
R AND G DRILLING COMPANY INCORPORATED									
HARDIE									
1I142912	XM	100							24
2K142912	XM	100							24
REDFERN DEVELOPMENT CORPORATION									
GENTLE									
10 92811	M	123	970	970		3991	3991	3991	224
2L 92811	M	126	1162	1162		1213	1213	1213	91
REDFERN									
1A162811	XM	100	1	1		59	59	59	34
2I162811	XM	100	301	301		429	429	429	20
SKELLY OIL COMPANY									
FARMING A									
1H1627 9	N	100	3634	3011	623	1086	1709	1319	227
WELLSHIRE DEVELOPMENT COMPANY									
STEVENS FEDERAL									
1F 72912	N	100	1555	728	827	372	1199	451	41
PIPELINE TOTAL			78690	123646	44956 EX	91596	46640	101953	
SOUTHERN UNION GAS PIPELINE SYSTEM									
AZTEC OIL AND GAS COMPANY									
AZTEC FEDERAL									
3E142811	XM	100	624	624		304	304	304	
5A142811	NN	100	269	3447	3178 EX	955	2223-	1160	193
6D142811	XM	100	103	103		229	229	229	
BARNETT HARDT UNIT									
1L172911	N	100	2328-		2328 EX	871	1457-	1057	171
BECK									
1O 22912	XM	100	92	92		305	305	305	
BROWN NEW STATE									
4O11281	N	100	1933	6351	4418 EX	932	3486-	1132	187
CAIN FEDERAL									
13 16281	NN	100	14224		14224	1320	15544	1603	288
14 11681	N	100	6233		6233	1615	7848	1963	365
COOPER									
1C 18291	XM	98	240	240		387	387	387	122
2M 72911	XM	97	287	287		1397	1397	1397	59
COOPER									
3N122912	LM	50	2948	2948		1500	1500	1500	72
4K 12912	XM	50				2	2	2	83
7L 91212	XM	100	255	255		1671	1671	1671	98
COOPER NEW STATE									
1K182911	XM	98	54	54		205	205	205	24
2B192911	NN	100	3895	3984	89 EX	668	579	810	118
3G022911	XM	50	319	319		1500	1500	1500	51
4E092911	XM	75	1869	1869		1882	1882	1882	64
5L192911	XM	98	207	207		1500	1500	1500	47
DALE BEAVER									
1N202911	N	100	2164-	125	2289 EX	503	1786-	610	75
FAVER KNOX									
1 22911	TN	100	1398	752	646	1000	1646	1000	80
HANSON									
1 22710	TN	100	4530	3806	724	1000	1724	1000	94
2 6277 9	TN	117	916	957	41 EX	1000	959	1000	23
3M1 22710	XM	100	916	916		829	829	829	74

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
4P 7 27 9	AN	100	7651-		X007651EX		7651-		
5L 7 27 9	N	100	1018-		1018EX	602	416-	731	101
HANKS D FEDERAL									
1 2H 7 27 9	N	98	8271		8271	1058	9329	1286	226
1 3A 1 22 27 10	N	100	15153-		X015153EX	1957	13196-	2378	454
1 6K 6 27 9	N	100	808-		808EX	1040	232	1263	215
HART E EMPT	LOW ACREAGE STATUS								
1 L 1 12 9 12	XM	25	103	103		1500	1500	1500	56
HOLDER E EMPT	LOW ACREAGE STATUS								
1 F 2 9 30 12	XM	25	973	973		1500	1500	1500	14
HUBBELL									
1 J 2 9 28 10	N	100	1254-		1254EX	595	659-	722	99
2 I 3 0 28 10	XM	100	4270	4270		919	919	919	89
HUDSON									
2 B 3 4 30 12	XM	100				93	93	93	
A. D HUDSON									
1 A 2 9 27 9	TN	100	850	1384	534EX	1000	466	1000	60
2 D 2 9 27 9	XM	100	460	460		444	444	444	
3 M 2 9 27 9	XM	100	172	172		61	61	61	
HUGHES									
1 B 2 3 28 11	N	100	2730	5026	2296EX	833	1463-	1011	161
KATTER									
1 C 2 2 9 12	N	100	200	527	327EX	760	433	922	142
LACKEY HUBBELL									
1 D 2 9 28 10	XM	100	1580	1580		814	814	814	78
2 A 2 9 28 10	XM	100	1793	1793		4501	4501	4501	199
MANGUM									
1 I 2 9 2 9 11	N	100	2047-	6115	X008162EX	963	7199-	1169	195
2 K 2 8 2 9 11	N	100	1979	7431	5452EX	1193	4259-	1449	255
3 B 2 8 2 9 11	N	100	1898	255	1643	587	2230	712	97
MCCARTY									
1 I 2 9 30 12	XM	50	784	784		934	934	934	
MCCLANAHAN									
3 L 2 4 28 10	TN	100	7389	670	6719	1000	7719	1000	262
6 F 2 3 28 10	N	100	3798		3798	1416	5214	1720	313
7 B 2 3 28 10	N	100	15001		15001	1554	16555	1888	349
8 P 2 4 28 10	N	100	8301		8301	1343	9644	1631	294
MCDANIEL									
1 A 1 9 2 9 11	XM	100	442	442		575	575	575	25
MCGRATH									
1 J 2 2 9 12	XM	100				5	5	5	
2 N 3 4 30 12	N	100	5774-	400	X006174EX	763	5411-	927	143
3 J 3 2 9 12	XM	100							2
NEWMAN									
4 L 1 9 2 8 10	TN	103	1550		1550	1000	2550	1000	179
NEWMAN A									
6 J 1 9 2 8 10	XM	100	1880	1880		1111	1111	1111	60
7 B 1 9 2 8 10	XM	100	977	977		833	833	833	24
NEWMAN B									
3 B 3 0 2 8 10	N	100	4316		4316	1193	5509	1449	255
5 C 3 0 2 8 10	XM	103	1664	1664		2739	2739	2739	152
REID									
2 H 1 3 2 9 12	N	100	7924-	711	X008635EX	717	7918-	871	131
RIDDLE									
1 M 1 7 27 9	N	100	3008		3008	656	3664	796	115
SAMMONS									
1 G 3 2 30 12	XM	100				70	70	70	2
SATTERWHITE									
1 M 2 12 9 11	XM	100				53	53	53	
SUMMIT VILES B									
6 P 2 9 2 9 11	XM	100				15	15	15	22
WALKER									
1 G 3 2 9 12	XM	100				33	33	33	46
2 D 3 2 9 12	XM	100	15	15		72	72	72	11
WHITLEY									
1 E 1 7 27 9	N	100	184-		184EX	403	219	488	49

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DRILLABILITY
B M N S		COMP	ANY						
BROWN WELLS	S	NO	1 AND 2	LOW ACREAGE	STATUS				
1 1 3 0 3 0 1 2	XM	25				1500	1500	1500	
2 M 2 9 3 0 1 2	XN	25	2593		2593	1500	4093	1500	50
WYPER EXEMPT		LOW	ACREAGE	STATUS					
2 0 2 9 3 0 1 2	LN	50	4461	1694	2767	1500	4267	1500	
BAYVIEW OIL		COR	PORATION						
ARBOGAST									
1 D 1 3 2 7 1 0	N	10	8835	7124	1711	1539	3250	1869	345
MORRIS									
1 G 1 0 2 7 1 0	N	10	2224		2224	917	3141	1113	183
2 L 1 1 2 7 1 0	N	10	974		974	1013	1987	1233	208
3 O 1 1 2 7 1 0	N	10	45062	10102	34960	2931	37891	3563	708
CONSOLIDATED OIL AND GAS INC									
COLLINS FEDERAL									
1 E 3 1 2 9 1 0	N	10	18200		18200	1316	19516	1599	287
MANLEY FEDERAL									
1 D 3 1 2 9 1 0	N	10	25807		25807	2559	28366	3110	611
WALZ FEDERAL									
1 L 3 1 2 9 1 0	N	10	24511		24511	2835	27346	3446	683
DELHI TAYLOR OIL CORPORATION									
COLE									
1 C 3 5 2 8 1 0	N	10	6243-		X006243 EX	598	5645-	726	100
J. C. DAVIDSON A									
1 A 2 1 2 8 1 0	N	10	6306	1323	4983	556	5539	675	89
J. C. DAVIDSON B									
1 G 2 8 2 8 1 0	XM	10				479	479	479	103
M. E. GNAGY TOTAL									
J. R. BCA 71 ROGERS	XM	10	422	422		500	500	500	16
J. R. A 2 71 ROGERS	XO	96	200		200	390	590	473	50
H. A. BGA 71 OCCIDENTAL	XM	10	69	69		200	200	200	7
HOA BGA 71 OCCIDENTAL	N	10	2438-		2438 EX	522	1916-	633	80
HAR BGA 71 OCCIDENTAL	XM	10	58	58		128	128	128	7
HARGIS	XM	10				3688	3688	3688	162
J. L. JONES	XO	5				13	13	13	38
L. O. WICK FEDERAL									
1 B 1 8 2 7 9	T	10	1132	1120	12	1000	1012	1000	36
2 M 1 8 2 7 9	N	10	1045-		1045 EX	368	677-	446	40
OMEGA									
L 2 3 5 2 8 1 0	XM	10							
3 5 2 2 8 1 0	T	10	2931	1137	1794	1000	2794	1000	31
4 2 6 2 8 1 0	N	10	1974-		1974 EX	395	1579-	447	44
5 6 2 2 8 1 0	X	10	763	763		666	666	666	29
XO 7 2 6 2 8 1 0	N	10	22864-		X022864 EX	495	22369-	6600	73
6 A J 2 6 2 8 1 0	T	10	1717		1717	1000	2717	1000	58
JH DEMPSEY									
HUTCH INSON									
1 A 1 2 9 1 3	N	25	4576		4576	1500	6076	1500	77
EL PASO NATURAL GAS COMPANY									
EDAVISON	XM	10	2279	2279		1814	1814	1814	65
DAVIDSON	N	10	892-		892 EX	506	386-	614	76
FEAGIN									
1 A 2 7 2 8 1 0	N	10	776		776	602	1378	731	101
2 D 3 3 2 8 1 0	XM	10	249	249		229	229	229	16

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
FEASEL A									
1E 3 22810	N	10●	2703-	349	3052EX	457	2595-	554	63
3D 3 42810	N	10●	1536-		1536EX	583	953-	708	96
GALT									
1J 12710	XM	10●	501	501		243	243	243	4
HARGRAVE									
1D 4 2710	XM	10●	761	761		605	605	605	19
2D 9 2710	XM	10●	1468	1468		1256	1256	1256	48
3D 16 2710	XM	10●	683	683		711	711	711	24
JOHNSON									
1A 21 2710	TN	10●	4403	747	3656	1000	4656	1000	38
KUTZ CANYON									
1 7 2810	XM	10●	2160	2160		2269	2269	2269	77
KUTZ DEEP TEST									
1 22 2810	XM	10●	718	718		680	680	680	22
2 28 2810	TN	10●	718		718	1000	1718	1000	71
KUTZ DEEP TEST A									
1 22 2810	XM	10●	617	617		1052	1052	1052	36
MARTIN									
1A 31 2810	N	10●	1545		1545	518	2063	628	79
PIPKIN									
1A 8 2710	N	10●	878		878	364	1242	442	39
EDROC ASSOCIATES			....	.....	.....	.....			
EIMSON FEDERAL									
1C 17 2810	XM	10●	422	422		1234	1234	1234	33
T. F. HARRIGAN			....	.....	.....	.....			
JENKINS CASSIDY									
1P 19 2911	XM	10●				19	19	19	89
KING OIL CORPORATION			....	.....	.....	.....			
DAY									
1M 20 2810	XM	10●	1545	1545		872	872	872	21
DAY H									
2H 17 2810	N	10●	4912-		4912EX	760	4152-	922	142
DAY J									
3O 8 2810	N	8●	3911	1094	2817	579	3396	702	133
FEASEL									
1 3 2810	N	10●	11262	1413	9849	1155	11004	1403	245
KU									
2 3 2810	N	10●	15352		15352	1389	16741	1687	306
3 7 2810	N	10●	21422-		21422EX	1435	7073-	1743	318
4 5 2810	N	10●	57168-		X057168EX	1811	55357-	2200	416
5 15 2710	N	10●	15189	5236	9953	1301	11254	1580	283
6 4 2710	XM	10●	4422	4422		3403	3403	3403	149
7 3 2710	N	10●	18084		18084	1627	19711	1977	368
8 2 2810	N	10●	15045	4743	10302	771	11073	936	145
9 22 2810	XM	10●	3147	3147		1694	1694	1694	115
P1 O 1 8 2810	XM	10●	1862	1862		873	873	873	50●
GEORGE H. KRAUSE			....	.....	.....	.....			
KRAUSE BECK									
1J 10 2912	XM	25				15	15	15	
PAN AMERICAN PETROLEUM CORPORATION			....			.....			
PUDDLE MAVERICK SOUTH									
1C 8 2810	XM	10●	452	452		666	666	666	27
1C 8 2810	N	10●	5329	221	5108	1646	6754	2000	373
UJ 1M 22 2810	N	10●	2014-		2014EX	430	1584-	521	56
UJ 1F 17 2810	N	10●	536	180	356	499	855	605	74
UJ 2F 22 2810	XM	10●	1641	1641		1129	1129	1129	52
FRED FEASEL		A							

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
1 I 3 2 2 8 1 0	N	10	2034	2954	920 EX	821	99-	997	158
FRED FEASEL	B								
1A 3 2 2 8 1 0	N	10	1321-		1321 EX	721	600-	876	132
FRED FEASEL	C								
1J 3 2 8 1 0	N	10	1521	138	1383	694	2077	843	125
FRED FEASEL	D								
1O 3 4 2 8 1 0	N	10	2492-	34	2526 EX	821	1705-	997	158
FRED FEASEL	E								
1K 3 2 2 8 1 0	N	10	1047	261	786	1132	1918	1375	239
FRED FEASEL	F								
1J 2 2 7 1 0	N	10	7256-		X007256 EX	921	6335-	1118	184
MAGALT B									
1N 6 2 7 1 0	XM	104	637	637		682	682	682	
MAGALT E									
1M 1 2 7 1 0	N	10	291-		291 EX	483	192	586	70
MAGALT G									
1E 1 2 7 1 0	N	10	3042	502	2540	430	2970	521	56
PHARGRAVE B									
1N 4 2 7 1 0	XM	100	247	247		1036	1036	1036	29
PHARGRAVE D									
1K 9 2 7 1 0	N	100	1583		1583	1000	2583	1000	49
PHARGRAVE F									
1K 1 6 2 7 1 0	XM	100	728	728		661	661	661	
PHARGRAVE G									
1E 3 2 7 1 0	N	100	5413-		5413 EX	1439	3974-	1748	319
KUTZ DEEP TEST	S	A							
1O 2 7 2 8 1 0	N	100	567	48	519	537	1056	652	84
KUTZ DEEP TEST	S	C							
1E 2 7 2 8 1 0	XM	100	209	209		481	481	481	47
CMORRIS									
1D 1 0 2 7 1 0	N	100	1768-		1768 EX	572	1196-	694	93
PIKE									
1A 3 6 2 8 1 1	XM	100	139	139		352	352	352	8
3I 1 2 2 7 1 1	N	100	764	747	17	353	370	428	36
4A 1 2 7 1 1	XM	100	760	760		637	637	637	
PRODUCING ROYALTIES INCORPORATED									
CARROLL CORNELL									
1G 1 2 2 9 1 2	XM	100				50	50	50	
2D 1 2 2 9 1 2	XM	100	4692	4692		17211	17211	17211	200
5A 1 3 2 2 9 1 2	N	50	17035-		X017035 EX	8022	16233-	9744	361
6I 1 2 2 9 1 2	N	10	2209-		2209 EX	1615	594-	1963	365
REDFERN DEVELOPMENT CORPORATION									
HARGIS									
1G 3 3 3 0 1 2	N	10	2723-		2723 EX	568	2155-	689	92
2J 3 3 3 0 1 2	XM	88	316	316		825	825	825	34
MCCARTY EXTENSION			LOW ACREAGE STATUS						
1M 2 8 3 0 1 2	XM	50				1500	1500	1500	20
MONTANO									
1N 2 8 3 0 1 2	XM	63	346	346		1500	1500	1500	53
PALMER									
1O 2 8 3 0 1 2	LN	50	2883-	1316	4199 EX	1500	2699-	1500	412
WITT									
1N 3 3 2 9 1 1	M	100				2243	2243	2243	70
SOUTHERN UNION PRODUCTION COMPANY									
SANGERS DEEP UNIT									
3I 1 1 2 2 8 1 1	LN	30	4840		4840	1500	6340	1500	96
5K 1 1 2 2 8 1 1	LN	62	4014-		X004014 EX	4255	35899-	5516	122
8K 1 1 3 2 2 8 1 1	XM	100	750	750		21822	21822	21822	99
7C 1 1 3 2 2 8 1 1	XM	100				39	39	39	
8M 1 1 2 2 8 1 1	XM	119	412	412		393	393	393	28
ANGELS DEEP UNIT	B								
9C 2 4 2 8 1 1	N	100	881-		881 EX	729	152-	885	134
12A 2 5 2 8 1 1	XM	100	567	567		1019	1019	1019	21
13K 2 4 2 8 1 1	N	100	5269		5269	783	6052	950	148

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
14 G 13 28 11	XM	100	1477	1477		2052	2052	2052	99
15 G 24 28 11	N	100	4882		4882	1086	5968	1319	227
16 P 13 28 11	N	100	4621		4621	598	5219	726	100
CONGRESS									
3 M 35 29 11	XM	100				3	3	3	
GARLAND B									
1 M 27 29 11	XM	100	596	596		1117	1117	1117	46
LACHMAN									
2 E 18 28 10	XM	102	1014	1014		937	937	937	21
MCCLANAHAN A									
1 M 23 28 10	XM	100	442	442		3927	3927	3927	194
SUMMIT VILES									
1 N 34 29 11	XM	100	1934	1934		1993	1993	1993	64
2 F 34 29 11	TN	100	195	1736	1541 EX	1000	541-	1000	67
4 A 33 29 11	N	100	1466		1466	875	2341	1062	172
5 F 33 29 11	N	100	3534-		3534 EX	733	2801-	890	135
SUMMIT VILES B									
3 J 20 29 11	XM	100	1256	1256		719	719	719	42
WILSON									
1 H 31 29 10	XM	100	1119	1119		1021	1021	1021	24
D. W. STILES			....	.....	.....	.....			
CRAWFORD									
1 E 30 29 11	TN	100	1110959-	1076	117 EX	1000	883	1000	46
UNION TEXAS PETROLEUM CORPORATION					.....	.....			
GREER									
1 K 32 9 12	XM	100				6	6	6	21
PIPELINE TOTAL			228887	152143	76744	177049	253793	193019	
POOL TOTAL			307577	275789	31788	268645	300433	294972	
SOUTH BLANCO PICTURED CLIFF POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
AMERADA PETROLEUM CORPORATION			.....	.....	.....	.....			
JICARILLA APACHE A									
1 D 25 25 5	TN	100	1901	896	1005	1000	2005	1000	43
2 J 24 25 5	N	100	1316	1027	289	659	948	920	47
4 P 26 25 5	N	100	1548	1287	261	763	1024	1064	74
JICARILLA APACHE F									
1 J 17 25 5	TN	100	1367	1003	364	1000	1364	1000	30
2 D 17 25 5	XM	100	326	326		705	705	705	5
3 D 18 25 5	N	100	228	102	126	897	1023	1252	109
4 J 18 25 5	N	100	5013	1032	3981	809	4790	1129	86
5 J 16 25 5	XM	100	325	325		227	227	227	7
7 E 21 25 5	N	100	2059	957	1102	870	1972	1214	102
AMERICAN PETROFINA COMPANY OF TEXAS					...	.....			
CAMPBELL FEDERAL									
1 M 18 27 8	XM	100	649	649		926	926	926	69
ASPEN CRUDE PURCHASING COMPANY					.....	.....			
JICARILLA									
2 C 12 4 4	N	140	3999	6102	2103 EX	2100	3-	2928	266
ATLAS MINERALS			....	.....	.....	.....			
AZTEC FEDERAL									
1 F 8 27 9	N	100	5196	5000	196	1467	1663	2045	257
BISHOP FEDERAL									
1 D 26 25 3	M	100	1291	1291		1941	1941	1941	73
2 L 26 25 3	N	100	2090	2218	128 EX	1071	943	1493	154
AUGUST AND WAGENSELLER			.....	.....	.....	.....			
JICARILLA B									
1 A 1 23 3			9409-	151	9560 EX		9560-		

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
AZTEC OIL AND GAS COMPANY									
LEA NEW GAS									
1 I 24 27 9	N	100	508	191	317	732	1049	1021	66
2 G 24 27 9	M	100	894	894		1310	1310	1310	37
BOLIN OIL COMPANY									
BURNS									
3 M 4 26 7	N	100	241	607	366 EX	797	431	1113	83
4 D 9 26 7	N	100	2696 -	551	3247 EX	1005	2242 -	1402	137
CANDA									
1 A 9 26 7	N	100	2473	1848	625	1001	1626	1397	136
2 P 9 26 7	N	100	4	1497	1493 EX	1859	3666	2592	359
3 9 26 7	N	100	3676	1402	2274 EX	1271	3545	1772	206
4 M 3 26 7	N	100	316	595	279 EX	797	518	1113	83
5 O 4 26 7	N	100	790 -		790 EX	1051	261	1466	149
6 J 1 O 26 7	N	100	617	106	511	1074	1585	1498	155
7 E 1 26 7	N	100	567	87	480	1267	1747	1766	205
8 A 4 26 7	N	100	344 -	855	1199 EX	1063	136 -	1482	152
9 D 3 26 7	N	100	768	5755	4989 EX	1571	3418 -	2190	284
10 A 2 5 26 7	N	100	2650	1499	1151	728	1879	1016	65
11 A 3 26 7	N	100	1028	612	416	1105	1521	1541	163
12 I 4 26 7	N	100	3681 -	3531	7211 EX	1982	5230 -	2763	391
13 D 4 26 7	N	100	590	1968	1378 EX	744	634 -	1038	69
14 A 1 O 26 7	N	100	4829	7031	2202 EX	1578	624 -	2200	286
MILES LOYD									
1 I 8 26 7	N	100	1025	1078	53 EX	1571	1518	2190	284
MILES JOHN									
1 C 22 26 7	N	100	739	548	191	878	1069	1225	104
CAULKINS OIL COMPANY									
SANCHEZ									
1 D 24 26 6	N	100	6450	221	6229	4405	10634	6139	1021
2 K 24 26 6	N	100	14352	32119	17767 EX	6040	11727 -	8417	1446
3 C 25 26 6	N	100	4061 -	1645	5706 EX	3863	1843 -	5384	880
CLARK AND COWDEN PRODUCTION COMPANY									
FEDERAL									
1 A 17 24 3	N	100	1709	2093	384 EX	1232	848	1718	196
JOHN A. EGAN									
HANDO									
5 G 22 5 27 8	N	100	11111090 -	53	1037	1078	2115	1504	156
6 O 22 5 27 8	N	100	9506	9844	338 EX	2878	2540	4012	624
7 G 22 6 27 8	N	100	13190	6968	6222	4617	10839	6434	1076
MARRON									
1 M 22 4 27 8	N	100	1373	2067	694 EX	1055	361	1472	150
2 H 7 27 8	N	100	8268 -	609	8877 EX	3382	5495 -	4714	755
3 D 4 27 8	N	100	1461 -	4236	5697 EX	3832	1865 -	5341	872
4 I 27 27 8	N	100	13343	2276	11067	8063	19130	11236	1972
EL PASO NATURAL GAS COMPANY									
ABRAHAM									
1 E 24 24 2	N	100	12492	565	11927	909	12836	1268	112
BLANCO									
2 C 1 27 8	N	100	2159	3309	1150 EX	824	326 -	1150	90
4 G 36 28 8	NC	98	12796 -	4425	X01722 1 EX	1992	1529 -	2777	404
BOLACK B									
2 K 2 27 8	XM	100	630	630		833	833	833	25
3 K 33 28 8	N	92	4806	6800	1994 EX	1682	312 -	2345	351
BOLACK C									
1 A 22 8 27 8	N	100	6612	9749	3137 EX	2067	1070 -	2881	413
2 D 22 8 27 8	N	100	1248	257	991	844	1835	1177	95
3 22 9 27 8	XM	100	841	841		909	909	909	47
4 I 22 9 27 8	XM	100	411	411		581	581	581	24
5 O 33 0 27 8	N	100	5008	5799	791 EX	1494	703	2083	264
7 E 33 3 27 8	XM	100	384	384		378	378	378	20
8 I 33 27 8	XM	100	430	430		426	426	426	27

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
9H 31227 8	N	1.00	2776		2776	1859	4635	2592	359
11KA 22827 8	N	1.00	102-	234	336 EX	763	427	1064	74
12AM 22927 8	N	1.00	3390	421	2969	1155	4124	1611	176
13MB 22927 8	N	1.00	1636	1443	193	736	929	1027	67
14BO 22727 8	N	1.00	1532	984	548	1000	1548	1000	37
BROOKHAVEN STATE									
4FK 33622 7 8	N	1.00	1515		1515	2090	3605	2913	419
5EM 33622 7 8	N	1.00	11834-	1871	13705 EX	3444	10261-	4800	771
6I- 33622 7 8	N	1.00	5003	9656	4653 EX	6429	1776	8958	1547
7AO 22727 8	N	1.00	845	1252	407 EX	724	317	1011	64
BURROUGHS STATE									
1HO 33622 7 8	N	1.00	228	45	183	940	1123	1311	120
CANYON 22755 6	G	1.00	561-		561 EX	1186	625	1654	184
1AA 22555 6	N	1.00	749	1567	818 EX	901	83	1257	110
1A 22555 6	N	1.00	640-		640 EX	1117	477	1557	166
2AM 22555 6	N	1.00	2007	1051	956	647	1603	904	44
3DM 22555 6	N	1.00	6003	1635	4368 EX	8778	1554-	12255	1042
4DM 22555 6	N	1.00	4807-		4807 EX	2486	2321-	3465	522
5DM 22555 6	N	1.00	2046-	941	2987 EX	8855	2136-	11888	977
6DM 22555 6	N	1.00	6619-		6619 EX	5052	1567-	7040	1189
7DM 22555 6	N	1.00	1551-	3053	4569 EX	1990	2579-	2774	393
8DM 22555 6	N	1.00	518-		518 EX	863	345	1204	100
9DM 22555 6	N	1.00	2572-		2572 EX	1117	1455-	1557	166
10DM 22555 6	N	1.00	1037	1624	587 EX	797	210	1113	83
11DM 22555 6	N	1.00	1631	1506	125	767	892	1070	75
12DM 22555 6	N	1.00	1006-	1230	1336 EX	851	485-	1188	97
13DM 22555 6	N	1.00	3750-		3750 EX	1333	2414-	1863	223
14DM 22555 6	N	1.00	1045	2222	1177 EX	1033	1455-	1439	144
15DM 22555 6	N	1.00	1684	1644	44	778	822	1086	78
16DM 22555 6	N	1.00	3263	1263	2000	690	2690	963	55
17DM 22555 6	X	1.00	2788	2788		301	301	301	20
18BC 22555 6	N	1.00	3063-	578	3641 EX	1333	2308-	1863	223
19CA 22555 6	N	1.00	1459-		1459 EX	1047	412-	1461	148
20AA 22555 6	N	1.00	341		341	1105	1446	1541	163
21AA 22555 6	N	1.00	1082	1732	650 EX	774	124	1080	77
22AO 22555 6	N	1.00	1961	3419	1458 EX	1159	2999-	1616	177
23OF 22555 6	N	1.00	6292-	1797	8089 EX	3282	4807-	4575	729
24CC 22555 6	N	1.00	10305-	1725	12030 EX	3117	8913-	4334	686
CUSTER 1-A	T								
DAVIS 23 27 8	N	1.00	2178		2178	1597	3775	2227	291
DAVIS B 7 27 8	N	1.00	64	297	233 EX	778	545	1086	78
1A 77 27 8	N	1.00	2842		2842	2859	5701	3985	619
2M 77 27 8	N	1.00	1152-	4861	6013 EX	1644	4369-	2292	303
3E 77 27 8	N	1.00	3469-		3469 EX	1428	2041-	1991	247
DRY DEER 2 27 8	N	1.00	693	1492	799 EX	690	109-	963	55
EVANS 1K 52 4 2	N	1.00	354	809	455 EX	1000	545	1000	16
FEDERAL A 1G 22 4 2	N	1.00	15137	224	14913	1321	16234	1841	219
2 33 22 4 2	N	1.00	186-	5758	5944 EX	1455	4489-	2029	254
5C 55 22 4 2	N	1.00	10043	6095	3948	3298	7246	4596	733
FEDERAL B 14 OE 14 24 2	X	1.00	682	682		813	813	813	45
2 33 DE 24 24 2	N	1.00	3240	3242	2 EX	1213	1211	1691	191
FLANAGAN 1 1HA 57 8	N	1.00	357	409	52 EX	794	742	1107	82
2KA 57 8	N	1.00	2103	935	1168	1000	2168	1000	35
FLORANCE A 2 4KA 98 8	N	1.00	1045	448	597	770	1367	1075	76
5HA 98 8	N	1.00	422-	796	1218 EX	909	309-	1268	112
6FI 33 28 8	N		964		5894 EX	1898	3996-	2645	390
7EO 33 28 8	N		955		2540- 5440	7980 EX	1781	6199-	2483
FLORANCE B 1-A 21 27 8	N	1.00	483	187	296	809	1105	1129	86

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
2B1727 8	N	100	3337	12069	8732 EX	1697	7035-	2367	317
3D1727 8	N	100	1351	1717	366 EX	828	462	1155	91
5P1827 8	N	100	4542	5882	1340 EX	1101	239-	1536	162
6E1827 8	N	100	2286		2286	1171	3457	1632	180
7O1927 8	TN	100	1014	1036	22 EX	1000	978	1000	58
8C2027 8	N	100	3148		3148	2032	5180	2833	404
9M1727 8	N	100	3441	7482	4041 EX	1428	2613-	1991	247
11G1827 8	N	100	4335	15653	11318 EX	3398	7920-	4735	759
12B1927 8	N	100	1802	1596	206	797	1003	1113	83
13K2027 8	N	100	941	2470	1529 EX	836	693-	1166	93
14K2127 8	N	100	13075	1836	11239	5967	17206	8315	1427
15P1727 8	N	100	3315-	1515	4830 EX	1982	2848-	2763	391
GARDNER FEDERAL									
3O2725 3	N	100	5851	7262	1411 EX	1659	248	2313	307
GENTLE A									
1I2527 9	N	100	1856	1300	556	709	1265	989	60
GILCREASE									
1I1724 3	N	100	2979	1097	1882	863	2745	1204	100
3G2725 3	N	100	2727	1444	1283	817	2100	1139	88
GONZALES STATE									
1F 226 8	XM	100	262	262		281	281	281	13
HALL									
1H2825 3	N	100	1317		1317	1136	2453	1584	171
2H3325 3	XM	100	358	358		503	503	503	18
3H2125 3	N	100	3922	3633	289	909	1198	1268	112
4M2125 3	N	100	2645	2459	186	1213	1399	1691	191
5N2825 3	N	100	1689	1005	684	759	1443	1059	73
HAMILTON STATE									
1D1626 7	N	100	373	517	144 EX	870	726	1214	102
2B1626 7	N	100	434	1569	1135 EX	659	476-	920	47
3J1626 7	N	100	4656-	3271	7927 EX	1467	6460-	2045	257
4K1626 7	TN	100	2293	1066	1227	1000	2227	1000	34
HAMMOND FEDERAL									
1P2224 3	XM	100	250	250		318	318	318	13
HANCOCK A FEDERAL									
3O3528 9	N	100	11452	10148	1304	1824	3128	2543	350
4O2628 9	N	100	13548-	3830	XO17378 EX	2071	15307-	2886	414
9F2628 9	N	100	8912-	2576	11488 EX	1544	9944-	2152	277
HARVEY STATE									
3E1625 6	N	100	2801	1429	1372	767	2139	1070	75
4O1625 6	XM	100	881	881		898	898	898	78
11N1625 6	TN	100	969	946	23	1000	1023	1000	55
HARVEY A STATE									
1A3227 7	N	100	4911	3134	1777	1609	3386	2243	294
2P3227 7	N	100	1206	2839	1633 EX	963	670-	1343	126
HARRINGTON									
1M3127 7	N	100	2828	5636	2808 EX	2140	668-	2983	432
2D3127 7	N	100	211		211	747	958	1043	70
3P3127 7	N	100	165	371	206 EX	744	538	1038	69
XO4G3127 7	N	100	350-		350 EX	1267	917	1766	205
HILL									
2L2225 3	N	100	416	1040	624 EX	647	23	904	44
3J2024 3	TN	100	4306	765	3541	1000	4541	1000	58
5C2024 3	N	100	1379	1069	310	659	969	920	47
6A2024 3	XM	100	431	431		588	588	588	20
10A2225 3	N	100	4832	77	4755	1728	6483	2409	325
HUERFANITO UNIT CURLEY									
1D2527 9	XM	100	1028	1028		713	713	713	29
HUERFANITO UNIT GENTLE									
1B2627 9	XM	100	707	707		592	592	592	28
HUERFANITO UNIT GENTLE B									
1D2427 9	N	100	1889	851	1038	651	1689	909	45
HUERFANITO UNIT									
10A3627 9	N	100	891	1504	613 EX	809	196	1129	86
45M2427 9	N	100	1982	2303	321 EX	1432	1111	1997	248
46M2527 9	XM	100	625	625		897	897	897	32
53G2227 9	XM	100	280	280		451	451	451	17

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
540 2227 99	XM	1.00	73	73		187	187	187	5
555 2277 99	NN	1.00	3546	826	2720	705	3425	984	59
566 BL3277 99	NN	1.00	5818		5818	2059	7877	2870	411
577 EL3277 99	NN	1.00	2347	2476	2248 EX	1582	660-	2206	287
599 EL3277 99	NN	1.00	1239	1291	52 EX	763	711	1064	74
TCU RRN EDM HCG	IS	0.00							
1 33277 99			2106	973	1133	699	1832	975	71
2 1 33277 99	XM	1.00	4556	456		766	766	766	37
34 33277 99	NN	1.00	4116	786	3334	717	4051	1005	62
45 A 33277 99	NN	1.00	3377	689	1688	1455	3138	2029	54
56 E 33277 99	NN	1.00	1455	876	4233 EX	1022	601	1429	142
67 A 44277 99	NN	1.00	3223	893	1342	1009	2432	1529	159
78 E 44277 99	NN	1.00	3872	866	1006	1005	2061	1472	150
89 44277 99	NN	1.00	2088	375	713	963	1676	1343	126
9 1 BL 44277 99	NN	1.00	1315		1315	936	2251	1305	119
10 1 BL 11277 99	NN	1.00	1211		1211	882	2093	1230	105
11 1 HI 11277 99	XM	1.00	422	422		764	764	764	33
12 1 E 11277 99	NN	1.00	4167	3810	357	1209	1566	1686	190
L=C A R I F F A	B								
1 1 8 2255 4	BB	1.00	679-		679 EX	3125	2446	4355	888
2 2 4 8 2255 4	NN	1.00	5793	611	3322 EX	2992	2291	4071	635
3 3 4 8 2255 4	NN	1.00	14043	2713	1327	1728	3055	2409	325
4 4 4 2255 4	NN	1.00	4255	582	3669	426	4095	5946	955
5 5 M 7 2255 4	NN	1.00	28701		28701	2148	4849	2994	434
6 B M DO G 3255 4	NN	1.00	17661	6582	11079	3882	1496	5411	885
7 7 7 2255 4	NN	1.00	12	81	69 EX	1224	1155	1707	194
8 8 8 2255 4	NN	1.00	3894-	2099	5988 EX	1474	514-	2056	259
9 9 8 2255 4	NN	1.00	5244	1393	3851	2017	5868	2811	400
10 K 4 2255 4	NN	1.00	1955	6200	4245 EX	2228	1787-	3106	455
11 Q 7 2255 4	NN	1.00	3405	1773	1632	1201	2833	1675	188
12 E 7 2255 4	NN	1.00	1758-	1114	2872 EX	982	1890-	1370	131
13 D 4 2255 4	NN	1.00	1339	2301	962 EX	1122	1559	1563	167
14 C - C 3255 4	NN	1.00	3108	1337	1771	744	2515	1038	69
15 - M 3255 4	XM	1.00	264		264	441	441	441	4
16 M 3255 4	NN	1.00	4810	626	4184	728	4912	1016	65
L=C A R I F F A	C								
1 1 8 2255 4	XH	1.00							
2 2 4 8 2255 4	NN	1.00	604	1126	1065 EX	2417	824	3369	504
3 3 4 8 2255 4	NN	1.00	3011	1556	4620 EX	1224	3396	1707	194
4 4 4 2255 4	NN	1.00	1139	339	800	655	1455	2075	247
5 5 M 7 2255 4	NN	1.00	1195	885	310	824	1134	1155	88
6 B M DO G 3255 4	NN	1.00	1195	1040	155	824	979	1364	140
7 7 7 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
8 8 8 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
9 9 8 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
10 K 4 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
11 Q 7 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
12 E 7 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
13 D 4 2255 4	NN	1.00	1195	1040	155	824	979	1364	140
14 C - C 3255 4	NN	1.00	1195	1040	155	824	979	1364	140
15 - M 3255 4	XM	1.00	1195	1040	155	824	979	1364	140
16 M 3255 4	NN	1.00	1195	1040	155	824	979	1364	140
L=C A R I F F A	D								
1 1 8 2255 4	XH	1.00	1211-	1598	1719 EX	1874	155	2613	363
2 2 4 8 2255 4	NN	1.00	4112	1616	2204 EX	3075	871	4285	675
3 3 4 8 2255 4	NN	1.00	2	3981	3203 EX	5086	2883	7087	988
4 4 4 2255 4	NN	1.00	4066	2006	1153	1328	2481	1852	212
5 5 M 7 2255 4	NN	1.00	1411-	942	2253	1004	251-	1400	88
6 B M DO G 3255 4	NN	1.00	7223	4113	3110	1004	4114	1400	88
7 7 7 2255 4	NN	1.00	3335	1139	2196	1004	3200	1400	88
8 8 8 2255 4	NN	1.00	3382	1044	2338	1004	3342	1400	88
9 9 8 2255 4	NN	1.00	2034	1210	824	1004	1828	1400	88
10 K 4 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
11 Q 7 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
12 E 7 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
13 D 4 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
14 C - C 3255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
15 - M 3255 4	XM	1.00	1211	1006	205	1004	1209	1400	88
16 M 3255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
L=C A R I F F A	E								
1 1 8 2255 4	XH	1.00	1598-	2204	3802 EX	2587	1215-	3602	499
2 2 4 8 2255 4	NN	1.00	4396	2204	2192	1004	3196	1400	88
3 3 4 8 2255 4	NN	1.00	1	2204	2203 EX	1004	1199	1400	88
4 4 4 2255 4	NN	1.00	4066	2006	1153	1328	2481	1852	212
5 5 M 7 2255 4	NN	1.00	1411-	942	2253	1004	251-	1400	88
6 B M DO G 3255 4	NN	1.00	7223	4113	3110	1004	4114	1400	88
7 7 7 2255 4	NN	1.00	3335	1139	2196	1004	3200	1400	88
8 8 8 2255 4	NN	1.00	3382	1044	2338	1004	3342	1400	88
9 9 8 2255 4	NN	1.00	2034	1210	824	1004	1828	1400	88
10 K 4 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
11 Q 7 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
12 E 7 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
13 D 4 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
14 C - C 3255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
15 - M 3255 4	XM	1.00	1211	1006	205	1004	1209	1400	88
16 M 3255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
L=C A R I F F A	F								
1 1 8 2255 4	XH	1.00	1211-	1598	1719 EX	1874	155	2613	363
2 2 4 8 2255 4	NN	1.00	4112	1616	2204 EX	3075	871	4285	675
3 3 4 8 2255 4	NN	1.00	2	3981	3203 EX	5086	2883	7087	988
4 4 4 2255 4	NN	1.00	4066	2006	1153	1328	2481	1852	212
5 5 M 7 2255 4	NN	1.00	1411-	942	2253	1004	251-	1400	88
6 B M DO G 3255 4	NN	1.00	7223	4113	3110	1004	4114	1400	88
7 7 7 2255 4	NN	1.00	3335	1139	2196	1004	3200	1400	88
8 8 8 2255 4	NN	1.00	3382	1044	2338	1004	3342	1400	88
9 9 8 2255 4	NN	1.00	2034	1210	824	1004	1828	1400	88
10 K 4 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
11 Q 7 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
12 E 7 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
13 D 4 2255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
14 C - C 3255 4	NN	1.00	1211	1006	205	1004	1209	1400	88
15 - M 3255 4	XM	1.00	1211	1006	205	1004	1209	1400	88
16 M 3255 4	NN	1.00	1211	1006	205	1004	1209	1400	88

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
11L1925 4	IN	100	1553	1009	544	2444	2988	3406	511
12M1725 4	N	100	2167	742	1425	1628	3053	2270	299
13G1825 4	N	100	15272	137	15135	2401	17536	3347	500
14D1725 4	N	100	4917	2198	2719	1563	4282	2179	282
15O1725 4	N	100	3116	1521	1595	897	2492	1252	109
16G1725 4	N	100	3798	1931	1867	1090	2957	1520	159
JICARILLA	F								
1L2126 5	N	100	1939-	758	2697 EX	1159	1538-	1616	177
2M2226 5	N	100	5594	2649	2945	1736	4681	2420	327
3E2126 5	N	100	2224	1670	554	720	1274	1005	63
4J2126 5	N	100	861-	1012	1873 EX	863	1010-	1204	100
5B2126 5	N	100	203-	50	253 EX	790	537	1102	81
6O2226 5	N	100	278	1847	1569 EX	820	749-	1145	89
7D2226 5	N	100	1746	121	1625	1586	3211	2211	288
8B2226 5	N	100	3071	3734	663 EX	1397	734	1949	239
9O1526 5	N	100	1722	3211	1489 EX	813	676-	1134	87
10M1526 5	N	100	1689	3934	2245 EX	1147	1098-	1600	174
11J1626 5	N	100	1408-	750	2158 EX	1444	714-	2013	251
12K1626 5	N	100	2639	2496	143	986	1129	1375	132
13E1626 5	N	100	536	731	195 EX	1578	1383	2200	286
14G1626 5	N	100	4346	564	3782	1113	4895	1552	165
15E1526 5	N	100	1954	1486	468	705	1173	984	59
16G1526 5	N	100	2148	95	2053	1063	3116	1482	152
JICARILLA	G								
1M2326 5	N	100	581-	984	1565 EX	2009	444	2801	398
2O2326 5	N	100	1706	649	1057	1228	2285	1713	195
3M2426 5	N	100	435	329	106	740	846	1032	68
4I2426 5	N	100	1654	2430	776 EX	1055	279	1472	150
5H2426 5	N	100	1383	1511	128 EX	705	577	984	59
6C2426 5	N	100	137-	1981	2118 EX	905	1213-	1263	111
7G2326 5	N	100	693	1823	1130 EX	1259	129	1756	203
8E2326 5	N	100	2084	2487	403 EX	894	491	1247	108
9M1426 5	N	100	494	776	282 EX	1709	1427	2383	320
10P1426 5	N	100	1921	2740	819 EX	886	67	1236	106
11M1326 5	N	100	223-	338	561 EX	674	113	941	51
12P1326 5	XM	100	494	494		538	538	538	22
13A1326 5	N	100	3637	1160	2477	686	3163	957	54
14D1326 5	XM	100	697	697		794	794	794	21
15G1426 5	N	100	2875	1088	1787	651	2438	909	45
16E1426 5	N	100	971	1856	885 EX	1136	251	1584	171
JICARILLA	H								
1A 524 4	XM	137	563	563		644	644	644	30
2C 524 4	XM	135	435	435		497	497	497	29
3P 524 4	XM	100	561	561		780	780	780	15
4A 624 4	XM	135	261	261		358	358	358	15
5D 624 4	TN	95	1932	907	1025	1000	2025	1000	45
6M 524 4	XM	100	230	230		291	291	291	17
7P 624 4	XM	100	236	236		284	284	284	23
8A 824 4	XM	100	297	297		356	356	356	23
9C 824 4	XM	100	214	214		279	279	279	16
11M 624 4	XM	76	282	282		332	332	332	13
12C 724 4	XM	76	437	437		462	462	462	33
13A 724 4	XM	103	539	539		578	578	578	28
15K 824 4	XM	100	417	417		492	492	492	17
16J 824 4	XM	100	352	352		2822	2822	2822	18
JICARILLA	J								
1K2026 5	N	100	1851	2131	280 EX	636	356	887	41
2B2026 5	N	100	2536	130	2406	1336	3742	1863	223
3I1926 5	N	100	3629	6101	2472 EX	1586	886-	2211	288
4F1926 5	N	100	4698	353	4345	2444	6789	3406	511
5B1926 5	N	100	746	2031	1285 EX	936	349-	1305	119
6D2026 5	N	100	459	1726	1267 EX	805	462-	1123	85
7P2026 5	N	100	2188	3222	1034 EX	863	171-	1204	100
8M1926 5	N	100	740-	5282	6022 EX	2032	3990-	2833	404
9M1826 5	N	100	1280-	156	1436 EX	1271	165-	1772	206
10P1826 5	TN	100	3652	1120	2532	1000	3532	1000	48
11H1826 5	N	100	2121	3944	1823 EX	909	914-	1268	112

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
12K17265	N	1.00	3541	4847	1306 EX	1163	143-	1622	178
13O17265	N	1.00	1855	2456	601 EX	844	243	1177	95
14F18265	N	1.00	942	1408	466 EX	724	258	1011	64
15E17265	N	1.00	606	1632	1026 EX	767	259-	1070	75
16A17265	N	1.00	2916	3633	717 EX	920	203	1284	115
UICARILLA	T	-IBAL CONTRACT 67							
1DD22055	N	1.00	740	879	139 EX	1686	1547	2351	314
2EE22055	XM	1.00							
3DD19225	XM	1.00	603	603		724	724	724	25
6HH19225	N	1.00	2811	2557	254	717	971	1000	62
7GA22055	N	1.00	1213	1132	81	717	798	1000	62
8AA22055	N	1.00	5668-	809	6477 EX	2771	3706-	3862	596
9AA22055	N	1.00	3928-	3230	7158 EX	2082	5076-	2902	417
UOINSTANTE	TA	TE							
1NN33266	N	1.00	2202-		2202 EX	1367	835-	1906	231
2BB33266	T	1.00	2129	935	1194	1000	2194	1000	40
3AM33266	N	1.00	6724-	96	6820 EX	3071	3749-	4280	674
4MO33266	N	1.00	437	4479	4042 EX	1371	2671-	1911	232
5EE33266	N	1.00	1238	1429	191 EX	1240	1049	1729	198
6EB33266	N	1.00	834	859	25 EX	882	857	1230	105
8BB33267	N	1.00	847-		847 EX	997	150	1391	135
9CC33267	N	1.00	1366	2184	818 EX	894	76	1247	108
10C-33767	N	1.00	2357		2357	1071	428	1493	154
11-33767	N	1.00	1547	900	647	670	1317	936	50
KLEINE									
1EE33066	XM	1.00	582	582		613	613	613	21
2GG33066	N	1.00	2723	1063	1660	636	296	887	41
3BB33066	N	1.00	6336	2789	3574	2005	5579	2795	397
4XX33066	N	1.00	2883	88	2792 EX	1971	956-	2747	388
5MM33066	N	1.00	4396-	3504	7900 EX	1532	6368-	2136	274
6EE33066	N	1.00	5700	712	1422 EX	797	655	1113	83
7EX33066	N	1.00	4204-	49	4253 EX	836	3417-	1166	93
8AA33466	N	1.00	690	1656	966 EX	817	149-	1139	88
9DD33566	N	1.00	880	2093	1213 EX	963	250-	1343	126
KLEINE									
1BB31266	N	1.00	3971	1014	2957	732	3689	1021	66
2AA31266	N	1.00	2488	1364	1124	878	2002	1225	104
3AA31266	N	1.00	1466	1047	419	959	1378	1338	125
4EE31266	N	1.00	782	782		1517	1517	1517	87
5EE31266	N	1.00	7702	832	1875	1000	2875	1000	48
6EE31266	N	1.00	6311-		2631 EX	1659	972-	2313	307
7EE31266	N	1.00	536	536		772	772	772	17
8EE31266	N	1.00	8887		2887	1045	3932	1450	146
9EE31266	N	1.00	5144	1408	3971 EX	801	3307-	1118	84
10EE31266	N	1.00	4339	1532	3250 EX	663	3113	930	49
11EE31266	N	1.00	1022	1553	531	1433	1964	1433	101
12EE31266	N	1.00	1694	1592	1045 EX	1497	2542	1497	94
13EE31266	N	1.00	6316	6316		1411	1411	1411	84
14EE31266	N	1.00	4402	2402	2000	1411	3411	1411	84
15EE31266	N	1.00	5444		5444	1230	6674	1230	75
16EE31266	N	1.00	1727	2013	1727	1301	3028	1301	81
17EE31266	N	1.00	8990	1402	8906 EX	5334	1428-	7442	1262
18EE31266	N	1.00	1409	1409		1411	2820	1411	84
19EE31266	N	1.00	4465	1786	4465	1411	5876	1411	84
20EE31266	N	1.00	3111	3665	3110 EX	1355	1755-	1355	81
21EE31266	N	1.00	4331	4331		1411	1411	1411	84
22EE31266	N	1.00	6223	1408	6223 EX	1411	7634	1411	84
23EE31266	N	1.00	4485	4485		1411	5896	1411	84
24EE31266	N	1.00	8688	6603	1338	1411	2749	1411	84
25EE31266	N	1.00	3311	9227	9084 EX	1411	7673	1411	84
26EE31266	N	1.00	1084	8808	2276 EX	1411	3687	1411	84
27EE31266	N	1.00	2200	1414	786	1411	2197	1411	84
28EE31266	N	1.00	3223	5784	2439 EX	1624	815-	2265	298

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
33K2124 3	N	100	1863	1242	621	717	1338	1000	62
34B2524 3	N	100	3401	6456	3055 EX	1797	1258-	2506	343
35J1524 3	N	100	1498	5856	4358 EX	1786	2572-	2490	340
36I2324 3	N	100	2552	1489	1063	955	2018	1332	124
37A2124 3	N	100	2723	1210	1513	682	2195	952	53
38A2624 3	N	100	930		930	1178	2108	1643	182
39A1624 3	N	100	13815		13815	4663	18478	6498	1088
40M1024 3	N	100	3040		3040	1867	4907	2602	361
41K1524 3	N	100	6677		6677	4744	11421	6611	1109
42A2224 3	N	100	54412-		X054412 EX	5694	48718-	7935	1356
43E3124 2	N	95	40764	32877	7887	10528	18415	14670	2757
45O1424 3	N	100	190		190	1505	1695	2099	267
46G1524 3	N	100	7194-		7194 EX	1421	5773-	1981	245
LUTHY									
1P 126 8	XM	100	612	612		811	811	811	29
2K 126 8	XM	100	244	244		242	242	242	9
LUTHY A									
1H 126 8	N	100	1707	4816	3109 EX	1921	1188-	2677	375
2D 126 8	N	100	788		788	1451	2239	2024	253
MICHENER A									
1B3328 9	N	100	2106		2106	1305	3411	1820	215
MICHENER B									
1F3328 9	N	100	2252		2252	1074	3326	1498	155
PHILLIPS									
2E3228 8	N	100	279-	2759	3038 EX	1136	1902-	1584	171
QUANTIUS 21									
1A2126 7	XM	100	709	709		639	639	639	19
2C2126 7	XM	100	146	146		164	164	164	6
REAMS									
1M1926 6	N	100	148	493	345 EX	724	379	1011	64
2G2326 6	N	100	4100	8347	4247 EX	2117	2130-	2951	426
3H1926 6	N	100	345	901	556 EX	713	157	995	61
4L2326 6	N	100	658	1800	1142 EX	786	356-	1096	80
REAMS A									
1J2426 6	N	100	3294	4712	1418 EX	1063	355-	1482	152
2G2426 6	N	100	2031	4137	2106 EX	1286	820-	1793	210
3B2526 6	N	100	4544	2457	2087	2217	4304	3090	452
REUTER									
1L3427 6	XM	100	421	421		551	551	551	15
RIDDLE F									
4B2928 8	N	100	1574	4746	3172 EX	740	2432-	1032	68
5A3228 8	N	100	3399-	1043	4442 EX	1013	3429-	1413	139
RINCON UNIT									
2A 626 6	N	100	2061	1197	864	936	1800	1305	119
3P 626 6	N	100	1420		1420	1105	2525	1541	163
4P3127 6	N	102	3386	5516	2130 EX	1222	908-	1705	187
5P3227 6	N	100	106	1564	1458 EX	670	788-	936	50
7C 126 7	XM	100	624	624		698	698	698	21
9F3127 6	N	114	4654	5871	1217 EX	1434	217	1999	203
10C3627 7	N	100	516	3050	2534 EX	894	1640-	1247	108
12I 126 7	XM	100	477	477		543	543	543	18
13D 626 6	N	100	264		264	717	981	1000	62
14F1226 7	XM	100	479	479		526	526	526	17
15M1126 7	N	100	4163	2205	1958	1305	3263	1820	215
16C2527 7	N	105	2094	6232	4138 EX	2152	1986-	3000	409
17C 226 7	TN	100	1229	1038	191	1000	1191	1000	36
18F3527 7	XM	106	687	687		740	740	740	23
19E3027 6	XM	100	672	672		681	681	681	18
22K2327 7	N	100	14725-	1747	16472 EX	2851	13621-	3974	617
24M3227 6	N	100	2837		2837	1532	4369	2136	274
25A3627 7	N	100	2724	710	2014	1536	3550	2141	275
26L3327 7	N	100	1311	3937	2626 EX	1171	1455-	1632	180
27M1327 7	XM	105	338	338		548	548	548	18
28B2927 6	XM	100	314	314		425	425	425	16
31P3627 7	N	100	2137	3965	1828 EX	955	873-	1332	124
34K2827 7	N	100	1341	3016	1675 EX	867	808-	1209	101
35K3427 7	N	100	203	2003	1800 EX	1082	718-	1509	157

SOUTH BLANCO POOL EL PASO SYSTEM CTD YEAR: 1963 PAGE: 101

			JUNE			JULY		AUGUST	
DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
36N1427 7	N	93	911	759	152	572	724	798	36
37K2627 7	N	105	799		799	1191	1990	1660	170
38I2627 7	N	106	2481	5435	2954 FX	1768	1186-	2466	309
39F2627 7	N	105	1800	156	1644	1598	3242	2228	271
40H2627 7	N	106	3602	7067	3465 FX	2395	1070-	3339	463
41A3527 7	N	100	4863	9887	5024 FX	1332	3692-	1857	222
42I3527 7	N	107	712	1226	514 FX	689	175	961	43
43K2527 7	N	105	145-	8776	8921 FX	2495	6426-	3477	493
44P2527 7	N	100	6346	10981	4635 FX	2701	1934-	3765	578
45N3627 7	N	100	250-	273	523 FX	690	167	963	55
46B 126 7	N	100	385		385	613	998	855	35
47L 126 7	M	100	1118	1118		1128	1128	1128	45
48N3027 6	N	100	534		534	1567	2101	2184	283
49B3127 6	N	105	7887-	1428	9315 FX	1279	8036-	1784	192
50L3127 6	N	100	2949	5794	2845 FX	1194	1651-	1665	186
51L 626 6	TN	100	1950	922	1028	1000	2028	1000	29
52H2027 6	XN	100	405	405		551	551	551	28
53J2227 6	N	100	950-	1485	2435 FX	951	1484-	1327	123
54G1427 7	XM	95	410	410		743	743	743	26
55A 226 7	XM	100	425	425		466	466	466	16
56J 226 7	XM	100	585	585		553	553	553	17
58M2427 7	N	100	37-	3671	3708 FX	1382	2326-	1927	235
59J2427 7	M	100	1194	1194		1391	1391	1391	41
60B2527 7	N	100	4482-	1200	5682 FX	1236	4446-	1723	197
61A3027 6	N	100	543	1714	1171 FX	620	551-	866	37
62P2827 6	N	100	1855	2351	496 FX	947	451	1322	122
63D2327 7	N	100	6895-	1469	8364 FX	1440	6924-	2008	250
64H2327 7	N	100	1230-	614	1844 FX	740	1104-	1032	68
65O2327 7	N	100	1452	22039	20587 FX	5379	15208-	7495	1274
66H2227 7	N	100	1832-		1832 FX	3640	1808	5073	822
67I2227 7	N	100	9186-		9186 FX	2709	6477-	3776	580
68P2727 7	N	100	1999	2992	993 FX	897	96-	1252	109
69L2727 7	N	100	490	469	21	947	968	1322	122
70A2727 7	N	100	279-		279 FX	1317	1038	1836	218
71J2827 7	N	100	708	4056	3348 FX	1028	2320-	1434	143
72P3327 7	N	100	925	9105	8180 FX	1967	6213-	2742	387
73H3327 7	N	100	5048	8688	3640 FX	2136	1504-	2978	431
74D3327 7	N	100	6268	10667	4399 FX	2809	1590-	3915	606
75F3427 7	N	100	757	1263	506 FX	855	349	1193	98
76H3427 7	N	100	91-	1532	1623 FX	805	818-	1123	85
77P3427 7	N	100	1133-	566	1699 FX	970	729-	1354	128
85H1527 7	N	100	160		160	1117	1277	1557	166
86P1527 7	N	100	1257		1257	1251	2508	1745	201
87F1327 7	N	100	1384-	2079	3463 FX	1097	2366-	1531	161
88G1327 7	N	100	2491	3657	1166 FX	1047	119-	1461	148
89P1327 7	N	100	1364	2880	1516 FX	978	538-	1364	130
90M 226 7	N	100	4394-	4322	8716 FX	2098	6618-	2924	421
91D1126 7	N	100	238	10654	10416 FX	2474	7942-	3449	519
92G1126 7	N	100	789-	11223	12012 FX	2228	9784-	3106	455
93P1126 7	N	100	7846	13370	5524 FX	2874	2650-	4006	623
94M1226 7	N	100	4503		4503	1817	6320	2533	348
95I1226 7	N	100	2285	4783	2498 FX	1140	1358-	1590	172
96A1226 7	N	100	2508	1017	1491	624	2115	871	38
97L1827 6	N	100	162	1197	1035 FX	682	353-	952	53
98A2127 6	N	100	1494-		1494 FX	1474	20-	2056	259
99A2727 6	N	100	3358-	1613	4971 FX	1613	3358-	2249	395
100A2627 6	N	100	1894-	632	2526 FX	1094	1432-	1525	160
103I1627 6	N	100	1228	2715	1487 FX	878	609-	1225	104
104E1627 6	N	100	645-	2805	3450 FX	1078	2372-	1504	156
105I1727 6	N	100	35	2708	2673 FX	1074	1599-	1498	155
106Q1827 6	N	100	1476	2313	837 FX	732	105-	1021	66
107K1927 6	N	100	249	1130	881 FX	686	195-	957	54
109D1927 6	N	100	676	1848	1172 FX	717	455-	1000	62
110O1927 6	N	100	1502	2710	1208 FX	936	272-	1305	119
111E2027 6	N	100	36		36	778	814	1086	78
112O2027 6	N	100	1208	1866	658 FX	751	93	1048	71
114K2027 6	N	100	240	341	101 FX	717	616	1000	62

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
			JULY				JULY	AUGUST	
6									
TOTAL									
REMAINDER									
STATE A									
1	NN	10	3891	4160	1162	7020	2860	2860	1000
2	NN	10	3951	3690	1000	7020	3330	3330	1000
3	NN	10	3687	2680	1000	7020	4340	4340	1000
4	NN	10	3121	2640	1000	7020	4380	4380	1000
5	NN	10	3117	2620	1000	7020	4400	4400	1000
6	NN	10	3173	2600	1000	7020	4420	4420	1000
7	NN	10	3195	2580	1000	7020	4440	4440	1000
8	NN	10	3208	2560	1000	7020	4460	4460	1000
9	NN	10	3221	2540	1000	7020	4480	4480	1000
10	NN	10	3234	2520	1000	7020	4500	4500	1000
11	NN	10	3247	2500	1000	7020	4520	4520	1000
12	NN	10	3260	2480	1000	7020	4540	4540	1000
13	NN	10	3273	2460	1000	7020	4560	4560	1000
14	NN	10	3286	2440	1000	7020	4580	4580	1000
15	NN	10	3299	2420	1000	7020	4600	4600	1000
16	NN	10	3312	2400	1000	7020	4620	4620	1000
17	NN	10	3325	2380	1000	7020	4640	4640	1000
18	NN	10	3338	2360	1000	7020	4660	4660	1000
19	NN	10	3351	2340	1000	7020	4680	4680	1000
20	NN	10	3364	2320	1000	7020	4700	4700	1000
21	NN	10	3377	2300	1000	7020	4720	4720	1000
22	NN	10	3390	2280	1000	7020	4740	4740	1000
23	NN	10	3403	2260	1000	7020	4760	4760	1000
24	NN	10	3416	2240	1000	7020	4780	4780	1000
25	NN	10	3429	2220	1000	7020	4800	4800	1000
26	NN	10	3442	2200	1000	7020	4820	4820	1000
27	NN	10	3455	2180	1000	7020	4840	4840	1000
28	NN	10	3468	2160	1000	7020	4860	4860	1000
29	NN	10	3481	2140	1000	7020	4880	4880	1000
30	NN	10	3494	2120	1000	7020	4900	4900	1000
31	NN	10	3507	2100	1000	7020	4920	4920	1000
32	NN	10	3520	2080	1000	7020	4940	4940	1000
33	NN	10	3533	2060	1000	7020	4960	4960	1000
34	NN	10	3546	2040	1000	7020	4980	4980	1000
35	NN	10	3559	2020	1000	7020	5000	5000	1000
36	NN	10	3572	2000	1000	7020	5020	5020	1000
37	NN	10	3585	1980	1000	7020	5040	5040	1000
38	NN	10	3598	1960	1000	7020	5060	5060	1000
39	NN	10	3611	1940	1000	7020	5080	5080	1000
40	NN	10	3624	1920	1000	7020	5100	5100	1000
41	NN	10	3637	1900	1000	7020	5120	5120	1000
42	NN	10	3650	1880	1000	7020	5140	5140	1000
43	NN	10	3663	1860	1000	7020	5160	5160	1000
44	NN	10	3676	1840	1000	7020	5180	5180	1000
45	NN	10	3689	1820	1000	7020	5200	5200	1000
46	NN	10	3702	1800	1000	7020	5220	5220	1000
47	NN	10	3715	1780	1000	7020	5240	5240	1000
48	NN	10	3728	1760	1000	7020	5260	5260	1000
49	NN	10	3741	1740	1000	7020	5280	5280	1000
50	NN	10	3754	1720	1000	7020	5300	5300	1000
51	NN	10	3767	1700	1000	7020	5320	5320	1000
52	NN	10	3780	1680	1000	7020	5340	5340	1000
53	NN	10	3793	1660	1000	7020	5360	5360	1000
54	NN	10	3806	1640	1000	7020	5380	5380	1000
55	NN	10	3819	1620	1000	7020	5400	5400	1000
56	NN	10	3832	1600	1000	7020	5420	5420	1000
57	NN	10	3845	1580	1000	7020	5440	5440	1000
58	NN	10	3858	1560	1000	7020	5460	5460	1000
59	NN	10	3871	1540	1000	7020	5480	5480	1000
60	NN	10	3884	1520	1000	7020	5500	5500	1000
61	NN	10	3897	1500	1000	7020	5520	5520	1000
62	NN	10	3910	1480	1000	7020	5540	5540	1000
63	NN	10	3923	1460	1000	7020	5560	5560	1000
64	NN	10	3936	1440	1000	7020	5580	5580	1000
65	NN	10	3949	1420	1000	7020	5600	5600	1000
66	NN	10	3962	1400	1000	7020	5620	5620	1000
67	NN	10	3975	1380	1000	7020	5640	5640	1000
68	NN	10	3988	1360	1000	7020	5660	5660	1000
69	NN	10	4001	1340	1000	7020	5680	5680	1000
70	NN	10	4014	1320	1000	7020	5700	5700	1000
71	NN	10	4027	1300	1000	7020	5720	5720	1000
72	NN	10	4040	1280	1000	7020	5740	5740	1000
73	NN	10	4053	1260	1000	7020	5760	5760	1000
74	NN	10	4066	1240	1000	7020	5780	5780	1000
75	NN	10	4079	1220	1000	7020	5800	5800	1000
76	NN	10	4092	1200	1000	7020	5820	5820	1000
77	NN	10	4105	1180	1000	7020	5840	5840	1000
78	NN	10	4118	1160	1000	7020	5860	5860	1000
79	NN	10	4131	1140	1000	7020	5880	5880	1000
80	NN	10	4144	1120	1000	7020	5900	5900	1000
81	NN	10	4157	1100	1000	7020	5920	5920	1000
82	NN	10	4170	1080	1000	7020	5940	5940	1000
83	NN	10	4183	1060	1000	7020	5960	5960	1000
84	NN	10	4196	1040	1000	7020	5980	5980	1000
85	NN	10	4209	1020	1000	7020	6000	6000	1000
86	NN	10	4222	1000	1000	7020	6020	6020	1000
87	NN	10	4235	980	1000	7020	6040	6040	1000
88	NN	10	4248	960	1000	7020	6060	6060	1000
89	NN	10	4261	940	1000	7020	6080	6080	1000
90	NN	10	4274	920	1000	7020	6100	6100	1000
91	NN	10	4287	900	1000	7020	6120	6120	1000
92	NN	10	4300	880	1000	7020	6140	6140	1000
93	NN	10	4313	860	1000	7020	6160	6160	1000
94	NN	10	4326	840	1000	7020	6180	6180	1000
95	NN	10	4339	820	1000	7020	6200	6200	1000
96	NN	10	4352	800	1000	7020	6220	6220	1000
97	NN	10	4365	780	1000	7020	6240	6240	1000
98	NN	10	4378	760	1000	7020	6260	6260	1000
99	NN	10	4391	740	1000	7020	6280	6280	1000
100	NN	10	4404	720	1000	7020	6300	6300	1000
101	NN	10	4417	700	1000	7020	6320	6320	1000
102	NN	10	4430	680	1000	7020	6340	6340	1000
103	NN	10	4443	660	1000	7020	6360	6360	1000
104	NN	10	4456	640	1000	7020	6380	6380	1000
105	NN	10	4469	620	1000	7020	6400	6400	1000
106	NN	10	4482	600	1000	7020	6420	6420	1000
107	NN	10	4495	580	1000	7020	6440	6440	1000
108	NN	10	4508	560	1000	7020	6460	6460	1000
109	NN	10	4521	540	1000	7020	6480	6480	1000
110	NN	10	4534	520	1000	7020	6500	6500	1000
111	NN	10	4547	500	1000	7020	6520	6520	1000
112	NN	10	4560	480	1000	7020	6540	6540	1000
113	NN	10	4573	460	1000	7020	6560	6560	1000
114	NN	10	4586	440	1000	7020	6580	6580	1000
115	NN	10	4599	420	1000	7020	6600	6600	1000
116	NN	10	4612	400	1000	7020	6620	6620	1000
117	NN	10	4625	380	1000	7020	6640	6640	1000
118	NN	10	4638	360	1000	7020	6660	6660	1000
119	NN	10	4651	340	1000	7020	6680	6680	1000
120	NN	10	4664	320	1000	7020	6700	6700	1000
121	NN	10	4677	300	1000	7020	6720	6720	1000
122	NN	10	4690	280	1000	7020	6740	6740	1000
123	NN	10	4703	260	1000	7020	6760	6760	1000
124	NN	10	4716	240	1000	7020	6780	6780	1000
125	NN	10	4729	220	1000	7020	6800	6800	1000
126	NN	10	4742	200	1000	7020	6820	6820	1000
127	NN	10	4755	180	1000	7020	6840	6840	1000
128	NN	10	4768	160	1000	7020	6860	6860	1000
129	NN	10	4781	140	1000	7020	6880	6880	1000
130	NN	10	4794	120	1000	7020	6900	6900	1000
131	NN	10	4807	100	1000	7020	6920	6920	1000
132	NN	10	4820	80	1000	7020	6940	6940	1000
133	NN	10	4833	60	1000	7020	6960	6960	1000
134	NN	10	4846	40	1000	7020	6980	6980	1000
135	NN	10	4859	20	1000	7020	7000	7000	1000
136	NN	10	4872	0	1000	7020	7020	7020	1000

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE			JULY		AUGUST	
			BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
2M1724 33	N	1.00	3301	842	2459	674	3133	941	51
3G1824 33	M	1.20	919	919		1337	1337	1337	47
4-I1824 33	M	1.20	1287	1287		1955	1955	1955	66
TURNER FIELD	S	FEDERAL							
1J3122 66 66	XM	1.00	190	190		221	221	221	20
2J3122 66 66	XM	1.00	155	155		324	324	324	19
TURNER STATE	N								
122O 2227 9	N	1.00	10069		10069	2717	12786	3787	582
13ZO 2226 8	XM	1.00	425	425		475	475	475	22
TURNER NAVA	A	LO 25							
1H2527 9	N	1.00	6970	6618	352	1682	2034	2345	313
VAUGHN									
1H2266 6	XM	1.00	329	329		339	339	339	23
4O2266 6	NN	1.00	582	1293	711 EX	1328	617	1852	221
5J2266 6	NN	1.00	9000	1337	337 EX	1721	1384	2399	323
6M2266 6	NN	1.00	2336	1767	569	744	1313	1038	69
7M2266 6	NN	1.00	3477	1181	2296	728	3024	1016	65
WARREN A	E	DERAL							
1K2258 9	NN	1.00	735-		735 EX	1728	993	2409	325
3E2258 9	NN	1.00	3868-		3868 EX	1197	2671-	1670	187
27 5SAN	U	A	NUNIT						
8J3222 7 55	NN	1.00	4727	2081	2646	1440	4086	2008	250
24B2227 7	XM	1.00	476	476		942	942	942	30
34M3022 7 55	NN	1.00	2325	1040	1285	694	1979	968	56
35M3322 7 55	TN	1.00	1398	943	455	1000	1455	1000	156
45K 622 7 55	NN	1.00	592-		592 EX	1794	1202	2501	342
46M 722 7 55	NN	1.00	6241-	5199	11440 EX	1590	9850-	2217	289
47K1822 7 55	NN	1.00	87-	1252	1339 EX	801	538-	1118	84
48K1922 7 55	NN	1.00	1271	1271		1850	1850	1850	53
49A1822 7 55	NN	1.00	12523-		12523 EX	2455	10068-	3422	514
50A1922 7 55	NN	1.00	1246	1246		1855	1855	1855	53
51A1822 7 55	NN	1.00	1336-		2557 EX	2402	1845-	3347	514
52A1922 7 55	NN	1.00	778	778		1055	1055	1055	53
53A1822 7 55	NN	1.00	8333		8333 EX	2105	1772-	2938	514
54A1922 7 55	NN	1.00	848	848		1345	1345	1345	53
55A1822 7 55	NN	1.00	1004	1565	561 EX	1267	706-	1756	514
56A1922 7 55	NN	1.00	865	865		1165	1165	1165	53
57A1822 7 55	NN	1.00	463-	774	1237 EX	1165	1628-	1165	514
58A1922 7 55	NN	1.00	1298	640	658	1388	1046-	1388	53
59A1822 7 55	NN	1.00	1246-	2751	2017	1247	3493-	1740	514
60A1922 7 55	NN	1.00	1337-	1196	1337 EX	1097	2434-	1537	53
61A1822 7 55	NN	1.00	3844	2644	1551 EX	732	1712-	1015	514
62A1922 7 55	NN	1.00	5555	2999	4931 EX	888	4043-	1242	53
63A1822 7 55	NN	1.00	3312	6922	831	2109	1934	2109	514
64A1922 7 55	NN	1.00	1660	1661	52 EX	1886	226-	1886	53
65A1822 7 55	NN	1.00	1749	8493	2570 EX	1338	1232-	1338	514
66A1922 7 55	NN	1.00	5543	1543	2209 EX	1388	821-	1388	53
67A1822 7 55	NN	1.00	6942	7110	3733	1009	2724-	1009	514
68A1922 7 55	NN	1.00	1191		1191	1009	182-	1009	53
69A1822 7 55	NN	1.00	1389	2867	1478 EX	963	1515-	1363	514
70A1922 7 55	NN	1.00	3188	1566	1614	888	726-	1256	53
71A1822 7 55	NN	1.00	7492	7492		1222	496-	1222	514
72A1922 7 55	NN	1.00	5636	2358	3278	1141	2137-	1141	53
73A1822 7 55	NN	1.00	4759	8843	3916 EX	1141	2775-	1141	514
74A1922 7 55	NN	1.00	1889	2955	1066 EX	1141	1814-	1141	53
75A1822 7 55	NN	1.00	1318	7758	5440	1141	4617-	1141	514
76A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
77A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
78A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
79A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
80A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
81A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
82A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
83A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
84A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
85A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
86A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
87A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
88A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
89A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
90A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
91A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
92A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
93A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
94A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
95A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
96A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
97A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
98A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
99A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
100A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
101A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
102A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
103A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
104A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
105A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
106A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
107A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
108A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
109A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
110A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
111A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
112A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
113A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
114A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
115A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
116A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
117A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
118A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53
119A1822 7 55	NN	1.00	1318	1318		1141	177-	1141	514
120A1922 7 55	NN	1.00	1318	1318		1141	177-	1141	53

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
14H2927 7	N	100	1180-	776	1956EX	824	1132-	1150	90
15N2927 7	N	100	717-	850	1567EX	832	735-	1161	92
16B3027 7	N	100	29932-	22033	X051965EX	3363	48602-	4687	750
17K3027 7	N	100	2202	6825	4623EX	1405	3218-	1959	241
36N3128 7	N	93	1525-	3713	5238EX	1402	3836-	1955	268
37O 627 7	N	100	586	6254	5668EX	1240	4428-	1729	198
38D 727 7	TN	100	1282	986	296	1000	1296	1000	43
39D1827 7	XM	100	570	570		512	512	512	11
40H1827 7	XM	100	392	392		420	420	420	14
41A1927 7	M	100	1199	1199		1093	1093	1093	36
42E1727 7	XM	100	614	614		660	660	660	20
43D2027 7	XM	100	567	567		771	771	771	30
45L2728 7	N	100	481-		481EX	1097	616	1531	161
52H2728 7	N	100	5206	2938	2268	1447	3715	2018	252
64M2227 7	N	100	3574	4978	1404EX	920	484-	1284	115
65H2827 7	N	100	781	862	81EX	1078	997	1504	156
66F 827 7	N	100	654	525	129	863	992	1204	100
67O 527 7	N	100	1367-	2672	4039EX	1140	2899-	1590	172
71L3428 7	N	100	5547	1719	3828	813	4641	1134	87
72L3528 7	N	103	4998	1912	3086	1146	4232	1599	165
73A2828 7	N	100	6618	1429	5189	1040	6229	1450	146
75L1528 7	N	100	3620	3481	139	1686	1825	2351	314
76A2228 7	XM	100	351	351		417	417	417	166
79H1127 7	N	100	7858	1496	6362	1163	7525	1622	178
80E1627 7	N	100	6712	3067	3645	2044	5689	2849	407
81G 927 7	N	100	1545	2495	950EX	778	172-	1086	78
82A 427 7	N	100	1971	3374	1403EX	936	467-	1305	119
83F 527 7	N	100	2037	1530	507	717	1224	1000	62
86K 727 7	N	100	417	1453	1036EX	932	104-	1300	118
88A1027 7	N	100	1839	2229	390EX	767	377	1070	75
89M1527 7	N	100	17996-	3733	21729EX	4698	17031-	6547	1097
90C2127 7	N	100	1622	3269	1647EX	970	677-	1354	128
91B3428 7	M	100	1079	1079		1458	1458	1458	63
92L2027 7	N	100	2737-	1631	4368EX	1182	3186-	1648	183
93N 927 7	N	100	9447	22500	13053EX	6409	6644-	8931	1542
94N3028 7	M	96	966	966		1687	1687	1687	104
95M 427 7	N	100	769	6078	5309EX	1163	4146-	1622	178
96G 827 7	N	100	7204	4013	3191	3225	6416	4494	714
97A2127 7	N	100	5916-		5916EX	1809	4107-	2522	346
102N 227 7	N	100	2080	2353	273EX	820	547	1145	89
103A 327 7	N	100	1822	2015	193EX	1071	878	1493	154
104M 327 7	N	100	2676	1538	1138	697	1835	973	57
106M1027 7	N	100	1379	1189	190	1071	1261	1493	154
107K1127 7	N	100	913		913	1009	1922	1407	138
108H1627 7	N	100	13096-	6828	19924EX	7321	12603-	10202	1779
114N2228 7	N	100	6186	1749	4437	986	5423	1375	132
115C2727 7	N	100	3753	4460	707EX	1047	340	1461	148
116G1727 7	N	100	689	5509	4820EX	1378	3442-	1922	234
118K1227 7	N	100	1683	2817	1134EX	867	267-	1209	101
119C2227 7	N	100	3441-		3441EX	2198	1243-	3063	447
120P2927 7	N	100	1520	8186	6666EX	3048	3618-	4248	668
121E1527 7	N	100	834-		834EX	2648	1814	3690	564
122N1827 7	N	100	1452	3014	1562EX	1097	465-	1531	161
123F3027 7	N	100	153-		153EX	2474	2321	3449	519
FOSTER AND RIDDLE			....	....	....	.....			
FOSTER									
1D1726 7	N	100	1308	1916	608EX	778	170	1086	78
2B1726 7	N	100	2752-	2009	4761EX	2390	2371-	3331	497
GREAT LAKES NATURAL GAS CORPORATION ...						.....			
HAMMOND									
3F3527 8	XM	100	167	167		103	103	103	97
HARVEY COUNSELLOR			....	....	....	.....			
GARTNER STATE									
1M3227 7	N	100	372	1497	1125EX	678	447-	946	52

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
J. FELIX HICKMAN									
CLARK									
1D 6 24 3	N	119	27723	18174	9549	4077	136261	5682	766
2D 5 22 4 3	N	100	4407	6099	1692 EX	1497	1955-	2088	265
3E 5 22 4 3	N	109	17343	6963	10380	1829	12299	25500	3120
4M 5 22 4 3	XM	100	5744	5744		928	928	928	310
5E 6 22 4 3	N	131	38605	9278	29327	6708	36035	9347	1207
6G 5 22 4 3	N	108	5785	7767	1982 EX	3524	1542	4912	724
INTERNATIONAL OIL AND GAS CORPORATION .									
BURNS FEE									
1H 15 26 7	N	100	496	1913	1417 EX	736	681-	1027	67
LENKINS									
1C 15 26 7	N	100	2200	2454	254 EX	824	570	1150	90
XO 2K 15 26 7	XM	100	663	663		732	732	732	17
3-I 15 26 7	N	100	17922	13299	4623	6366	10999	8877	411
4N 10 26 7	N	100	230-	616	846 EX	805	41-	1123	85
MKF FEDERAL									
2F 5 26 7	N	100	172-		172 EX	1009	837	1407	138
3D 6 26 7	N	100	636	781	145 EX	1044	899	1456	147
4B 6 26 7	N	100	17255	42388	25133 EX	13133	12000-	18331	2173
6D 8 26 7	N	100	55622	77227	21655 EX	31822	10176	44352	703
7D-I 8 26 7	N	100	46997	27127	19855	12711	3255	17722	206
8F 7 26 7	N	100	95599	16200	66611 EX	12117	55566	16977	1922
9D 6 26 7	N	100	34655	10099	33556	22677	56223	31600	465
10D 7 26 7	N	100	37022	13233	23789	7997	31766	11113	833
11M 7 26 7	N	100	26	22992	4	7997	80131	11113	834
12B 7 26 7	N	100	46911	72559	25688 EX	19555	61373-	27726	384
13A 7 26 7	N	100	10411-	10955	21366 EX	23113	1777	32246	477
14E 5 26 7	N	100	4944-		4944 EX	9447	4553	13222	122
15A 5 26 7	N	100	34066	11150	22556	6599	29155	9207	47
X 16D 5 26 7	N	100	3299	7099	3800 EX	12994	9114	18054	212
19B 8 26 7	N	100	20544	15255	5289	16177	21466	22544	296
KAY KIMBELL OIL PROPERTIES									
SALAZAR FEDERAL									
1J 22 25 6	N	100	1238	1399	161 EX	705	544	984	59
WARREN FEDERAL									
1H 26 25 6	M	100	1198	1198		1717	1717	1717	83
STEPHEN H. KINNEY									
FEDERAL									
1A 32 6 8	XM	100	452	452		531	531	531	19
MARATHON OIL COMPANY									
UICARILLA A CHE									
1D 33 32 6 5	N	100	21840-	167	22007 EX	4432	17575-	6177	1028
2D 33 32 6 5	N	100	14613-	553	15166 EX	6456	8710-	8996	1554
4D 33 4 26 5	N	100	487-	73	560 EX	1297	737	1809	213
5D 22 8 26 5	N	100	3890	1305	2585	7011	32866	9779	588
7D 22 7 26 5	N	100	872	44	828	7228	15566	10166	655
8D 22 7 26 5	N	100	1062	1487	425 EX	7332	307	10211	666
MOUNTAIN STATES PETROLEUM CORPORATION .									
HALL FEDERAL									
1E 33 22 25 3	N	100	3145	905	2240	564	2804	904	44
2D 33 8 22 25 3	N	100	18608	13988	4620	6312	10933	10111	643
3E 33 8 22 25 3	N	100	40977	7398	33579	5477	39055	8777	399
4D 33 1 22 25 3	N	100	4199	522	3677	10977	14654	17566	2033
5E 21 25 3	N	100	1507	1289	218	685	903	1096	80
NORTHWEST PRODUCTION CORPORATION .									
UICARILLA C									
1D 7 25 4	N	102	5083	1470	3613	1226	4839	1710	18
3L 7 25 5 4	N	100	97433	27216	70217	22093	92310	30793	
4L 2 9 26 4	N	100	7844	784		28033	28033	28033	
5N 8 22 5 4	N	100	5822	1192	4630	13822	60122	19277	

SOUTH BLANCO POOL EL PASO SYSTEM CTD

YEAR: 1963 PAGE: 106

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
			JUNE			JULY		AUGUST	
1	1	00000000000	2000	1411	91	1411	589	589	1411
2	1	00000000000	5178	4146	1032	5178	2032	2032	5178
3	1	00000000000	6992	5599	1393	6992	2425	2425	6992
4	1	00000000000	2222	1778	444	2222	778	778	2222
5	1	00000000000	4444	3555	889	4444	1556	1556	4444
6	1	00000000000	4444	3555	889	4444	1556	1556	4444
7	1	00000000000	4444	3555	889	4444	1556	1556	4444
8	1	00000000000	4444	3555	889	4444	1556	1556	4444
9	1	00000000000	4444	3555	889	4444	1556	1556	4444
10	1	00000000000	4444	3555	889	4444	1556	1556	4444
11	1	00000000000	4444	3555	889	4444	1556	1556	4444
12	1	00000000000	4444	3555	889	4444	1556	1556	4444
13	1	00000000000	4444	3555	889	4444	1556	1556	4444
14	1	00000000000	4444	3555	889	4444	1556	1556	4444
15	1	00000000000	4444	3555	889	4444	1556	1556	4444
16	1	00000000000	4444	3555	889	4444	1556	1556	4444
17	1	00000000000	4444	3555	889	4444	1556	1556	4444
18	1	00000000000	4444	3555	889	4444	1556	1556	4444
19	1	00000000000	4444	3555	889	4444	1556	1556	4444
20	1	00000000000	4444	3555	889	4444	1556	1556	4444
21	1	00000000000	4444	3555	889	4444	1556	1556	4444
22	1	00000000000	4444	3555	889	4444	1556	1556	4444
23	1	00000000000	4444	3555	889	4444	1556	1556	4444
24	1	00000000000	4444	3555	889	4444	1556	1556	4444
25	1	00000000000	4444	3555	889	4444	1556	1556	4444
26	1	00000000000	4444	3555	889	4444	1556	1556	4444
27	1	00000000000	4444	3555	889	4444	1556	1556	4444
28	1	00000000000	4444	3555	889	4444	1556	1556	4444
29	1	00000000000	4444	3555	889	4444	1556	1556	4444
30	1	00000000000	4444	3555	889	4444	1556	1556	4444
31	1	00000000000	4444	3555	889	4444	1556	1556	4444
32	1	00000000000	4444	3555	889	4444	1556	1556	4444
33	1	00000000000	4444	3555	889	4444	1556	1556	4444
34	1	00000000000	4444	3555	889	4444	1556	1556	4444
35	1	00000000000	4444	3555	889	4444	1556	1556	4444
36	1	00000000000	4444	3555	889	4444	1556	1556	4444
37	1	00000000000	4444	3555	889	4444	1556	1556	4444
38	1	00000000000	4444	3555	889	4444	1556	1556	4444
39	1	00000000000	4444	3555	889	4444	1556	1556	4444
40	1	00000000000	4444	3555	889	4444	1556	1556	4444
41	1	00000000000	4444	3555	889	4444	1556	1556	4444
42	1	00000000000	4444	3555	889	4444	1556	1556	4444
43	1	00000000000	4444	3555	889	4444	1556	1556	4444
44	1	00000000000	4444	3555	889	4444	1556	1556	4444
45	1	00000000000	4444	3555	889	4444	1556	1556	4444
46	1	00000000000	4444	3555	889	4444	1556	1556	4444
47	1	00000000000	4444	3555	889	4444	1556	1556	4444
48	1	00000000000	4444	3555	889	4444	1556	1556	4444
49	1	00000000000	4444	3555	889	4444	1556	1556	4444
50	1	00000000000	4444	3555	889	4444	1556	1556	4444
51	1	00000000000	4444	3555	889	4444	1556	1556	4444
52	1	00000000000	4444	3555	889	4444	1556	1556	4444
53	1	00000000000	4444	3555	889	4444	1556	1556	4444
54	1	00000000000	4444	3555	889	4444	1556	1556	4444
55	1	00000000000	4444	3555	889	4444	1556	1556	4444
56	1	00000000000	4444	3555	889	4444	1556	1556	4444
57	1	00000000000	4444	3555	889	4444	1556	1556	4444
58	1	00000000000	4444	3555	889	4444	1556	1556	4444
59	1	00000000000	4444	3555	889	4444	1556	1556	4444
60	1	00000000000	4444	3555	889	4444	1556	1556	4444

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
7P1525 5	TN	1.00	2094	421	1673	1000	2673	1000	69
8F2325 5	M	1.00	52	52		1595	1595	1595	108
11H1325 5	N	1.00	5766	151	5615	1378	6993	1922	234
12A2425 5	N	1.00	4724-	1171	5895EX	2171	3724-	3026	440
JICARILLA CONTRACT 155									
1D3026 5	N	1.00	2630	37	2593	3732	6325	5202	846
2J3026 5	N	1.00	19103	3385	15718	5067	20785	7061	1193
3F3226 5	N	1.00	10404	2742	7662	5359	13021	7468	1269
4O3226 5	N	1.00	4705	2208	2497	4125	6622	5748	948
5D3126 5	M	1.00				8342	8342	8342	1802
6P3126 5	N	1.00	21245		21245	4263	25508	5941	984
7E2926 5	N	1.00	36174	532	35642	5055	40697	7045	1190
8J2926 5	N	1.00	27811	1409	26402	4640	31042	6466	1082
9G3026 5	N	1.00	7558	1546	6012	3248	9260	4526	720
10M3026 5	TN	1.00	974		974	1000	1974	1000	139
11K3126 5	M	1.00	58	58		3890	3890	3890	440
KAYASYAHI									
1B2528 9	N	1.00	10691	314	10377	2117	12494	2951	426
PUBCO PETROLEUM CORPORATION									
BUTTRAM FEDERAL SECTION 19									
2E1926 6	N	1.00	1539	895	644	1217	1861	1697	192
4J1926 6	N	1.00	944	754	190	924	1114	1289	116
BUTTRAM B FEDERAL SECTION 23									
2C2326 6	N	1.00	5517	7972	2455EX	1732	723-	2415	326
BUTTRAM C FEDERAL SECTION 23									
4I2326 6	N	1.00	7890-	3116	11006EX	2663	8343-	3712	568
PUBCO FEDERAL									
2F 927 8	N	1.00	1733	665	1068	1047	2115	1461	148
3N 927 8	N	1.00	3077	505	2572	1244	3816	1734	199
SCOTT 17 FEDERAL									
3N1726 6	XM	1.00	796	796		935	935	935	24
SCOTT 21 FEDERAL									
3L2126 6	N	1.00	2876	998	1878	644	2522	898	43
R AND G DRILLING COMPANY INCORPORATED									
GRAHAM									
30M1027 8	N	1.00	2933-	4886	7819EX	1532	6287-	2136	274
32I 427 8	N	1.00	912	1296	384EX	1559	1175	2174	281
33A 427 8	AN	1.00	5889-		X005889EX		5889-		
34B 327 8	N	1.00	2095	2089	6	1151	1157	1606	175
35O 327 8	XM	1.00	272	272		91	91	91	
36E1027 8	N	1.00	9235	1401	7834	4663	12497	6498	1088
HAMMOND									
37L3527 8	XM	1.00	755	755		800	800	800	29
40I2627 8	N	1.00	3445	1881	1564	6690	8254	9323	1615
JICARILLA TRIBAL									
4L 324 5	XM	1.00	183	183		265	265	265	
MARRON									
29F2227 8	N	1.00	12029	1752	10277	6863	17140	9564	1660
31L2227 8	N	1.00	8389	25662	17273EX	4828	12445-	6729	1131
38E2327 8	AN	1.00	17300-		X017300EX		17300-		
39K2327 8	N	1.00	2308	1769	539	2351	2890	3278	487
RESERVE OIL AND MINERALS CORPORATION									
JICARILLA CONTRACT 127									
1A 324 4	XM	1.40							
LAWRENCE W RITTER									
WERNTZ FEDERAL									
1N2124 1	N	1.00	29645-	7877	37522EX	4604	32918-	7367	1250
2O2124 1	N	1.00	18314-	4341	22655EX	2815	19840-	4505	716
SHAR ALAN OIL COMPANY									
ABRAHAM FEDERAL									
2F3024 1	N	1.00	1118566-	2246	6320	4425	10745	6166	1026
3O2424 2	N	1.00	71851	8700	63151	9063	72214	12629	2232

SOUTH BLANCO POOL EL PASO SYSTEM CTD YEAR: 1963 PAGE: 108

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
7L2024 1	N	100	4522	7175	2653EX	1590	1063-	2217	289
8J2024 1	N	100	14577	33068	18491EX	6648	11843-	9264	1604
H B BROWNING									
1C3324 1	N	100	3031	536	2495	7775	10270	10834	1897
CRANE FEDERAL									
1N2824 1	N	100	9808	247	9561	4105	13666	5721	943
2J2824 1	N	100	5638-	429	6067EX	4098	1969-	5711	941
3D3224 1	N	100	4537	1228	3309	1051	4360	1466	149
4K3224 1	N	100	105	109	4EX	3644	3640	5078	823
5J3124 1	N	100	6737	480	6257	1336	7593	1863	223
6K3124 1	N	100	7308	7681	373EX	2298	1925	3203	473
7C2924 1	N	100	20253	15000	5253	7556	12809	10528	1840
8B2924 1				7594	7594EX		7594-		
9A3224 1	N	100	11236-	114	11350EX	6044	5306-	8422	1447
DOUTHIT FEDERAL									
1A 523 1	N	100	6249-	4841	11090EX	5425	5665-	7559	1286
DOUTHIT BROWNING									
1J 523 1	N	100	8751	2597	6154	3690	9844	5143	835
DUFF FEDERAL									
1M2724 1	N	100	9735-		9735EX	4759	4976-	6632	1113
DUFF GOVERMENT									
1D3424 1	N	100	12740	16049	3309EX	4871	1562	6788	1142
2O2724 1	N	100	537	105	432	1859	2291	2592	359
DUFF GOVERMENT A									
1N2224 1	N	100	1888	2812	924EX	1836	912	2560	353
EDWARDS FEDERAL									
1D2724 1	N	100	2535		2535	955	3490	1332	124
GARDNER FEDERAL									
1D 523 1	N	100	71401	6548	64853	9033	73886	12586	2224
HANSON FEDERAL									
1I 623 1	N	100	3508	4171	663EX	3090	2427	4307	679
2H 623 1	N	100	4360-		4360EX	7994	3634	11139	1954
HARRINGTON FEDERAL									
1F2824 1	N	100	5112	205	4907	8567	13474	11938	2103
2B3324 1	N	100	847	115	732	2490	3222	3471	523
3B2824 1	N	100	18509	16433	2076	6498	8574	9055	1565
4I2924 1	N	100	2568		2568	3698	6266	5153	837
5J3324 1	N	100	2779-	6049	8828EX	4555	4273-	6348	1060
6K2924 1	N	100	1182	145	1037	7344	8381	10234	1785
HARRINGTON STATE									
7I3224 1	N	100	7879	1892	5987	3040	9027	4237	666
HILL ABRAHAM									
1M2424 2	N	100	1458	2449	991EX	1228	237	1713	195
JICARILLA A									
1A 123 2	N	100	14666	3637	11029	4786	15815	6670	1120
MCDANIEL UNIT									
1E2224 1				3604	3604EX		3604-		
POSTY FEDERAL									
1K 523 1	N	100	213681	16762	196919	20426	217345	28460	5186
SCHMITZ									
2G3424 1	N	100	2705	2975	270EX	890	620	1241	107
WERNTZ FEDERAL									
1H2124 1	N	100	2058	203	1855	3571	5426	4976	804
2F2124 1	N	100	2888	5041	2153EX	5398	3245	7522	1279
3G3124 1	N	100	1763	6036	4273EX	4778	505	6659	1118
4D3124 1	N	100	3718	2234	1484	2463	3947	3433	516
SKELLY OIL COMPANY			....	....	....	.....			
ANDERSON FEDERAL									
1J3325 3	N	100	6761	2003	4758	913	5671	1273	113
2A2625 3	XM	100	520	520		1431	1431	1431	27
ANDERSON A									
1B2524 2	N	100	3164	6944	3780EX	8486	4706	11825	2082
2P2524 2	N	100	10931	811	10120	1955	12075	2726	384
3L2524 2	N	100	283	2126	1843EX	2074	231	2892	415
ANDERSON B									
1M3325 3	M	100	1406	1406		2094	2094	2094	41

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE			JULY		AUGUST	
			BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
CHARLES									
2E 13 27 9	N	100	306	44	262	1063	1325	1482	152
3K 13 27 9	N	100	741	36	705	886	1591	1236	106
4P 13 27 9	XM	100	1154	1154		1040	1040	1040	18
5H 13 27 9	N	100	316-	93	409 EX	1413	1004	1970	243
FARMING C									
1D 22 27 9	N	100	8143	11788	3645 EX	2105	1540-	2935	423
FARMING D									
1M 22 27 9	N	100	1896		1896	947	2843	1322	122
G. R. GENTLE									
1N 14 27 9	N	100	6976	336	6640	2771	9411	3862	596
GENTLE B									
1M 15 27 9	N	100	1076	1198	122 EX	709	587	989	60
HOBBS C									
1A 22 27 9	N	100	1777	3895	2118 EX	2359	241	3288	489
LICARILLA C									
3M 22 25 5	N	100	2037	320	1717	2217	3934	3090	452
4A 22 25 5	N	100	4269	6698	2429 EX	2190	239-	3053	445
5B 22 25 5	TN	100	1866	1000	866	1000	1866	1000	39
7L 22 25 5	N	100	18816-	1522	1968 EX	1717	2511-	2393	322
8E 22 25 5	N	100	2371	185	2186	1421	3607	1981	245
9K 22 25 5	N	100	4044-	3105	7149 EX	2074	5075-	2892	415
10M 22 25 5	N	100	27	182	155 EX	1263	1108	1761	204
11L 22 25 5	XM	100	673	673		863	863	863	28
12C 22 25 5	XM	100	402	402		445	445	445	38
13B 22 25 5	XM	100	433	433		734	734	734	25
15G 22 25 5	N	100	527	445	82	913	995	1273	113
17D 22 25 5	N	100	4534-	1049	5583 EX	1640	3943-	2286	302
19I 22 25 5	N	100	1411	765	646	1305	1951	1820	215
FEDERAL A	MR	OON							
1J 24 27 8	N	100	5477-	4782	10259 EX	3440	6819-	4794	770
MARRON A									
1N 27 27 8	N	100	186-		186 EX	1067	881	1488	153
MARSHALL A									
1H 22 27 9	N	100	1385-		1385 EX	3148	1763	4387	694
XOFF A									
1A 22 27 9	N	100	6439	6991	552 EX	3386	2834	4719	756
MARSHALL A									
1H 14 27 9	N	100	844	844		2384	2384	2384	80
2A 14 27 9	N	100	1563	57	1506	1032	2538	1439	144
3G 11 27 9	N	100	1685	1872	187 EX	1044	8557	1456	147
4E 15 27 9	N	100	9220	9220		1705	1705	1705	104
5I 15 27 9	N	100	2749	1082	1667	863	2530	1204	100
MARSHALL B									
1-I 14 27 9	N	100	4378	3911	467	1267	1734	1766	205
MC									
1 22 33 3	X		862	862		936	936	936	61
2 22 33 3	N	100	4155	5528	5113 EX	9446	4169-	1316	121
3 22 33 3	N	100	16777	4881	1896	10096	12929	1529	132
4 22 33 3	N	100	4558	3536	3078 EX	11555	1923-	1611	176
5 22 33 3	N	100	2701-	1619	1889 EX	7705	1119-	1075	76
6 22 33 3	X		929	929		635	635	635	29
7 22 33 3	N	100	17755	17755		1286	1286	1286	46
8 22 33 3	N	100	2005	1022	1034	617	1651	861	69
9 22 33 3	N	100	1005	1005		1247	1247	1247	39
10 22 33 3	N	100	2674	937	1737	1000	2737	1003	51
11 22 33 3	N	100	881	881		93	93	93	15
12 22 33 3	N	100	2212	2212		1770	1770	1770	133
MEXICO A	L								
1 22 33 3	N	100	2197	1203	994	840	1834	1172	94
NEAL									
1 22 27 7	N	100	6850	273	6577	3051	9628	4253	669
2 22 27 7	N	100	16542	231	16311	2959	19270	4124	645
CHAPARRAL									
1F 22 27 7	N	100	5573-	259	5832 EX	3305	2527-	4607	735
2B 22 27 7	N	100	14556	8901	3669	2871	6540	4012	632
3D 22 27 7	N	100	5539	5021	1099 EX	1751	6442	2345	313
4 22 27 7	N	100	3034	54	2980	1682	4662	2345	313

SOUTH BLANCO POOL EL PASO SYSTEM CTD YEAR: 1963 PAGE: 110

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
NELLIE PLATERO									
1L1027 9	N	100	8504	8466	38	2640	2678	3680	562
2P1027 9	N	100	3775	3713	62	1271	1333	1772	206
3K1127 9	XM	100	226	226		403	403	403	16
4J1127 9	N	100	2208	43	2165	1228	3393	1713	195
RENTZ									
1M1925 3	M	100	3531	3531		2965	2965	2965	204
3O1925 3	XM	100	1510	1510		1306	1306	1306	165
5P2025 3	N	100	1681	1301	380	744	1124	1038	69
6N2025 3	N	100	1617	713	904	624	1528	871	38
C. W. ROBERTS									
1D1825 3	N	100	2031-	38	2069EX	940	1129-	1311	120
2L1825 3	M	100	3031	3031		2368	2368	2368	358
PAUL WILLIAMS									
1A3526 6	N	100	2906	5853	2947EX	1059	1888-	1477	151
2E3526 6	N	100	4133	103	4030	1424	5454	1986	246
SOCONY MOBIL OIL COMPANY INCORPORATED									
BROWN									
1C2724 2	N	100	453	1681	1228EX	782	446-	1091	79
CULLINS FEDERAL									
1M 424 3	N	100	3071-	2818	5889EX	1413	4476-	1970	243
2E 424 3	N	100	2596	3936	1340EX	897	443-	1252	109
W O HUGHES									
1I 824 3	N	100	40162	18948	21214	4155	25369	5791	956
2A 824 3	N	100	3512	90	3422	1559	4981	2174	281
3L 824 3	XM	100	3688	3688		1008	1008	1008	699
W O HUGHES A									
4O 724 3	M	100	1215	1215		1330	1330	1330	64
JILLSON FEDERAL									
1A 724 3	N	100	53318	4485	48833	5105	53938	7115	1203
2C 824 3	M	100	25281	25281		8454	8454	8454	2006
SUN OIL COMPANY									
FRED PHILLIPS									
1N3225 3	N	100	244	2116	1872EX	736	1136-	1027	67
2E3225 3	N	100	1435	502	933	570	1503	796	24
3P3225 3	N	100	1754	973	781	667	1448	930	49
4H3225 3	N	100	957	1013	56EX	709	653	989	60
TENNECO CORPORATION									
RIDDLE UNIT 2									
1B 927 9	N	100	1757	60	1697	1382	3079	1927	235
BRUCE R. SULLIVAN UNIT									
1I 927 9	M	100	877	877		1242	1242	1242	58
J. GLENN TURNER									
QUANTIUS									
1A2626 7	N	100	15710-	14696	X030406EX	3309	27097-	4612	736
WESTERN NATURAL GAS COMPANY									
GRAHAM									
1H 927 8	N	100	3197	511	2686	1571	4257	2190	284
2I 927 8	N	100	2868	6398	3530EX	1144	2386-	1595	173
3O1027 8	N	100	8111	316	7795	3221	11016	4489	713
HAMMOND									
1L2527 8	N	100	3252	238	3014	1386	4400	1932	236
2P3527 8	XM	100	446	446		411	411	411	23
3G3527 8	N	100	2585	1353	1232	755	1987	1054	72
4C2627 8	N	100	9163	2072	7091	3078	10169	4290	676
MARRON									
1J2327 8	N	100	320	480	160EX	720	560	1005	63
3P2227 8	N	100	703-	33874	34577EX	4694	29883-	6541	1096
4D2727 8	N	100	7324	2932	4392	2371	6763	3304	492
5H2327 8	N	100	2876	5260	2384EX	1744	640-	2431	329
OXNARD									
1M1427 8	N	100	5001	5369	368EX	1959	1591	2731	385

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
2L 1527 8	N	100	2206	733	1473	1267	2740	1766	205
3E 1527 8	N	100	4150	1808	2342	1386	3728	1932	236
4E 1427 8	N	100	8873	393	8480	2932	11412	4087	638
PIPELINE	TOTAL		2293979	2158408	135571	15665 26	17020 97	2113846	
SOUTHERN UNION GAS PIPELINE SYSTEM									
AZTEC OIL AND GAS COMPANY									
ARIZONA CA LA B									
1M 426 5	N	100	14001	3773	10228	2271	12499	3165	466
2K 926 5	N	100	9500	2684	6816	1967	8783	2742	387
3M 1026 5	N	100	17954	1469	16485	1755	18240	2447	332
HANKS									
9D 527 9	N	100	5080		5080	686	5766	957	54
10N 5279	N	100	9356	3911	5445	1055	6500	1472	150
18B 5279	N	93	5682		5682	1018	6700	1420	160
LICARILLA A									
1F 3522 55 4	N	100	5600	298	5302	767	6069	1070	75
2D 2262 55 4	N	100	28552	16	2836	1305	4141	1820	215
3I 3552 55 4	N	100	31077	588	2519	1047	3566	1461	148
4D 3362 55 4	N	100	18826		18826	1132	29958	1579	170
5D 2252 55 4	A N	100	18556-		X00 18556 EX		18556-		
6D 3362 55 4	N	100	37477-		37477 EX	2332	14155-	3251	482
7L 2262 55 4	N	100	93776	1655	7721	1663	9384	2318	308
8D 2252 55 4	TN	100	1797	272	1525	1000	2525	1000	43
LICARILLA A									
1A 2232 55 4	XM	100	202	202		1106	1106	1106	74
2A 2242 55 4	TN	100	1852	290	1562	1000	2562	1000	38
3D 1332 55 4	N	100	10557		1057	1159	22216	1616	177
4M 2242 55 4	XM	100	101	101		1185	1185	1185	113
WHITLEY									
1C 9227 9	N	100	1593	5371	3778 EX	1336	2442-	1863	223
3C 9277 9	N	100	5182	6738	1556 EX	1628	72	2270	299
4I 8277 9	N	100	4836	3487	1349	1044	2393	1456	147
CALKINS COMPANY									
AMERADA 1B 2026 6	XM	75	1411	1411		946	946	946	105
BRADENHEAD 1C 2266 6	N	100	6073		6073	1301	7374	1815	214
CONOCO 1D 2266 7	MN	100	7418	7418		7503	7503	7503	1476
DAKOTA 1A 2266 7	N	100	24748	1049	23699	3217	26916	4483	712
DAKOTA 2A 2266 7	N	100	25525 4	9953	24301	3390	26691	3331	497
ENSERCH 1A 2266 6	MN	100	39722	3972		3926	3926	3926	482
HEED 1B 2266 6	MN	100	1794	1794		1701	1701	1701	82
HEED 2A 2266 6	N	100	16546	7883	8663	2705	11368	3771	579
HEED 3A 2266 6	N	100	18803		18803	2636	21439	3674	561
HEED 4A 2266 6	N	100	16109	1187	14922	1986	16908	2769	392
HEED 5A 2266 6	N	100	26607	6887	19722	3255	22977	4537	722
HEED 6A 2266 6	N	100	18892 6		18892 6	2824	21716	3937	610
HEED 7A 2266 6	N	100	88888		88888	1828	10716	2549	351
HEED 8A 2266 6	N	100	14200 8		14200 8	2294	16502	3197	472
HEED 9A 2266 6	N	100	28765	1575	27190	4051	31241	5646	929
HEED 10A 2266 6	N	100	61058	18304	42754	7229	49983	10073	1755
HEED 11A 2266 6	N	100	11361	5840	5521	2001	7522	2790	396
HEED 12A 2266 7	M	100	2946	2946		3185	3185	3185	1151
HEED 13A 2266 7	M	100	4388	4388		4350	4350	4350	569
HEED 14A 2266 6	N	100	6736		6736	2090	8826	2913	419
HEED 15A 2266 6	N	100	56650		56650	7102	96372	9896	1722
HEED 16A 2266 6	N	100	26988		26988	3748	30736	5223	850
HEED 17A 2266 6	M	100	3033	3033		4026	4026	4026	231
HEED 18A 2266 6	N	100	22436	5611	16825	2924	19749	4076	636

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
237D1526 6	N	100	11218		11218	3409	14627	4751	762
239B1526 6	N	100	33211		33211	5659	38870	7886	1347
345B2226 6	N	100	13771		13771	3221	16992	4489	713
BREECH E									
49B 526 6	N	100	25544	5956	19588	2528	22116	3524	533
81L 526 6	N	100	33348	1473	31875	3359	35234	4682	749
83J 526 6	N	100	11999		11999	4471	16470	6230	1038
85L 426 6	N	100	19155	6769	12386	2474	14860	3449	519
87J 426 6	N	100	17731	5915	11816	1721	13537	2399	323
BREECH F									
12A3527 6	N	100	3978		3978	1063	5041	1482	152
BREECH F P	MD								
8A3427 6	M	100	1701	1701		1292	1292	1292	82
REUTER									
297L1526 6	N	100	12733		12733	3709	16442	5169	840
343D2226 6	N	100	11982		11982	3444	15426	4800	771
STATE A P	C								
295J1626 6	N	100	10247		10247	1778	12025	2479	338
STATE B P	C								
233D1626 6	N	100	14617	4741	9876	1836	11712	2560	353
STATE C P	C								
235B1626 6	N	100	2161		2161	2205	4366	3074	449
CONTINENTAL OIL COMPANY									
APACHE J									
1D 525 5	N	100	7228-		7228FX	1590	5638-	2217	289
2P 525 5	N	100	5834-		5834FX	1574	4260-	2195	285
3E 625 5	N	100	3050	1269	1781	951	2732	1327	123
5D 725 5	XM	100	546	546		727	727	727	48
6P 725 5	TN	100	205		205	1000	1205	1000	26
7D 825 5	N	100	1039		1039	828	1867	1155	91
8P 825 5	XM	100	20	20		489	489	489	3
9O 625 5	XM	100				516	516	516	35
APACHE K									
2B 426 5	XM	100				1059	1059	1059	
3A 926 5	M	100	1999	1999		2531	2531	2531	89
APACHE L									
1M3625 4	N	100	4068	2532	1536	1378	2914	1922	234
2A3625 4	N	100	1921		1921	778	2699	1086	78
3M3525 4	N	100	2476		2476	1117	3593	1557	166
4M2625 4	N	100	633		633	874	1507	1220	103
5A2625 4	TN	100	1389		1389	1000	2389	1000	128
6A2525 4	XM	100	194	194		677	677	677	70
APACHE M									
1M2325 4	XM	100	556	556		1330	1330	1330	22
3A1325 4	N	100	1780	2044	264FX	1063	799	1482	152
4I2425 4	M	100	981	981		2162	2162	2162	133
APACHE N									
1A1125 4	N	100	19752-		X019752FX	1751	18001-	2442	331
APACHE O									
1A1025 4	N	100	1146-	1521	2667FX	851	1816-	1188	97
MACDONALD OIL CORPORATION									
SCOTT A									
1J1526 6	N	100	22700	1524	21176	2409	23585	3358	502
SCOTT B									
1D 526 6	N	100	12057	5073	6984	3021	10005	4210	661
SCOTT C									
1L1326 6	N	100	16965	3587	13378	1847	15225	2576	356
SCOTT D									
1J1426 7	N	100	11835	975	10860	1136	11996	1584	171
SOUTHERN UNION PRODUCTION COMPANY									
JICARILLA F									
2K3326 4	N	100	2403		2403	1317	3720	1836	218
JICARILLA H									
3L1926 4	N	100	4623	1662	2961	655	3616	914	46

SOUTH BLANCO POOL SOU UNION SYSTEM CTD YEAR: 1963 PAGE: 113

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
4E1926 4	XM	100	1312	1312		1534	1534	1534	112
JICARILLA J									
2M3526 5	XM	100	683	683		1171	1171	1171	79
3D2626 5	N	100	5596	1388	4208	1594	5802	2222	290
4B2626 5	N	100	6397	2891	3506	2424	5930	3379	506
5D2526 5	N	100	5705	2562	3143	1874	5017	2613	363
6H2526 5	N	100	6024	1561	4463	1217	5680	1697	192
JICARILLA K									
2B1125 5	N	100	8135		8135	3909	12044	5448	892
3N 125 5	XM	100	500	500		552	552	552	53
4E 225 5	N	100	4048		4048	1697	5745	2367	317
5O 225 5	N	100	7555		7555	4036	11591	5625	925
6N1125 5	N	100	16448		16448	9829	26277	13696	2431
7O1225 5	N	100	23494	12801	10693	3967	14660	5528	907
8D1225 5	N	100	29766	8116	21650	2836	24486	3953	613
9M1225 5	N	100	50893	17031	33862	6982	40844	9730	1691
NAVAJO INDIAN B									
1M3027 8	N	100	21831-	7924	XO29755 FX	2151	27604-	2999	435
2D1927 8	N	100	1667	798	869	697	1566	973	57
3N1927 8	N	100	1379	1754	375 FX	774	399	1080	77
4D3027 8	N	100	7112-	4572	11684 FX	2078	9606-	2897	416
NAVAJO INDIAN C									
1D3127 8	N	100	412	4639	4227 FX	1936	2291-	2699	379
PIPELINE	TOTAL		932416	224676	707740	233732	941472	307704	
POOL TOTAL			3226395	2383084	843311	1800258	2643569	2421550	
TAPACITO PICTURED CLIFF POOL									
EL PASO NATURAL GAS PIPELINE SYSTEM									
ASPEN CRUDE PURCHASING COMPANY				.	. . . .	. . . . .			
JICARILLA									
10 526 4	N	100	2089	4331	2242 FX	1581	661-	1898	404
CLARK AND COWDEN PRODUCTION COMPANY					. . .	. . . . .			
FEDERAL									
1B1125 3	N	100	659	1569	910 FX	1251	341	1498	252
2O1125 3	N	100	2720	1048	1672	1370	3042	1643	307
2K1125 3	N	100	406-	2646	3052 FX	3216	164	3883	1159
CONSOLIDATED OIL AND GAS INC				. .	. . . .	. . . . .			
TRIBAL C JICARILLA CONTRACT				97					
1M 626 3	N	100	2675	1816	859	3065	3924	3699	1089
2F 626 3	N	100	181-	1967	2148 FX	2469	321	2976	814
3A 626 3	N	100	34036-	2178	XO36214 FX	2124	34090-	2558	655
4P 626 3	N	100	19208-	2554	XO21762 FX	2207	19555-	2658	693
5M 526 3	N	100	7828-	2024	9852 FX	2709	7143-	3268	925
6D 526 3	N	100	27366-	2276	XO29642 FX	1347	28295-	1614	296
7A 526 3				514	514 FX		514-		
8O 526 3	N	100	3117	2337	780	1080	1860	1291	173
9A 726 3	N	100	981-	99	1080 FX	3093	2013	3733	1102
10J 726 3	N	100	1489	93	1396	2155	3551	2595	669
11K 826 3				28873	28873 FX		28873-		
12E 826 3	N	100	9226	10040	814 FX	4027	3213	4866	1533
EGAN JOHN A			. . . .	. . . .	. . . .	. . . . .			
HURT FEDERAL									
1E1125 3	N	100	11707	11014	693	3658	4351	4419	1363
EL PASO NATURAL GAS COMPANY				. .	. . . .	. . . . .			
GARDNER									
2K2325 3	N	100	206		206	1264	1470	1514	258
MCLANE HALL									
6K1525 3	N	100	157		157	957	1114	1141	116
HILL									
4B2325 3	N	100	1798-		1798 FX	993	805-	1186	133

TAPACITO POOL EL PASO NATURAL GAS SYSTEM YEAR: 1963 PAGE: 114

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
7C2325 3	N	100	6928	7977	1049EX	2484	1435	2994	821
27 4 SAN JUAN UNIT									
6M3127 4	N	100	2926	3975	1049EX	2270	1221	2734	722
8N3227 4	XM	100	1506	1506		1815	1815	1815	65
9N3327 4	XM	100	1330	1330		1881	1881	1881	41
10G3227 4	XM	100	1273	1273		1145	1145	1145	69
11O3127 4	N	100	7354	2158	5196	1108	6304	1325	186
12M3027 4	M	100	2021	2021		2048	2048	2048	86
13G2027 4	N	100	8475	2150	6325	857	7182	1020	70
17M2927 4	XM	100	1024	1024		456	456	456	41
20G2927 4	N	100	4629	4263	366	879	1245	1046	80
21B3027 4	N	100	8797	1717	7080	1035	8115	1236	152
23M1927 4	XM	100	444	444		752	752	752	27
27 5 SAN JUAN UNIT									
4A2927 5	XM	85	997	997		1190	1190	1190	130
15M1627 5	N	100	9336-		9336EX	3461	5875-	4180	1272
18K3627 5	N	100	5846	4656	1190	1942	3132	2337	571
20A3527 5	N	100	15367	5628	9739	2088	11827	2513	638
26B1727 5	N	100	3148-		3148EX	2400	748-	2892	782
27M2627 5	N	100	19427	10534	8893	3684	12577	4451	1375
28M2527 5	N	100	12467	18880	6413EX	6560	147	7939	2702
29M1327 5	XM	100	700	700		947	947	947	73
30A2127 5	N	100	6315-		6315EX	5931	384-	7177	2412
31A2427 5	XM	100	435	435		751	751	751	48
32G2527 5	N	100	6184	2072	4112	928	5040	1107	103
33G2627 5	N	100	2303-	3792	6095EX	2265	3830-	2729	720
36G3627 5	N	100	7978	4975	3003	1700	4703	2043	459
37A2027 5	M	100	1295	1295		1201	1201	1201	158
38G1627 5	N	100	3509-		3509EX	1693	1816-	2035	456
39N1227 5	XM	100	709	709		793	793	793	115
41K2127 5	N	100	3887	2421	1466	950	2416	1133	113
42M2227 5	N	100	3292-		3292EX	1678	1614-	2016	449
43M2427 5	M	100	1966	1966		1400	1400	1400	85
52M 427 5	M	100	30307	1208	29099	866	29965	1030	74
53M 527 5	M	100	1831	1831		1496	1496	1496	96
58N2027 5	N	100	12420	1109	11311	1119	12430	1338	191
62A 627 5	N	100	9158	824	8334	976	9310	1165	125
63N 827 5	N	100	20881-		20881EX	3643	17238-	4401	1356
64M 927 5	N	100	787		787	1717	2504	2064	467
65C1727 5	N	97	51306-		X051306EX	1705	49601-	2049	486
71A2827 5	NC	100	865	1076	211EX	1004	793	1199	138
74O2327 5	N	100	800		800	876	1676	1044	79
75M2327 5	N	100	7544	8619	1075EX	1966	891	2366	582
77O 827 5	N	100	681-		681EX	1630	949	1959	427
80P2227 5	N	100	9234-		9234EX	2575	6659-	3105	863
92O3627 5	NC	100	6465-	1402	X007867EX	1041	6826-	1243	155
GUNSITE OIL AND GAS CORPORATION					....	.....			
FLORANCE FEDERAL									
1C 425 3	N	122	5375-	203	5578EX	3239	2339-	3906	900
2A 525 3	N	122	2572-	144	2716EX	1723	993-	2066	326
RUDDOCK FEDERAL									
1B 325 3	N	123	2673	1031	1642	1502	3144	1798	238
MOUNTAIN STATES PETROLEUM CORPORATION					.	.....			
HALL FEDERAL									
6I1525 3	N	100	16400-	362	16762EX	8480	8282-	11794	4168
NORTHWEST PRODUCTION CORPORATION					......	.....			
JICARILLA E									
1N3326 3	N	100	5571	3362	2209	1984	4193	2387	590
2H3326 3	N	100	1484	57	1427	1626	3053	1953	425
3N3426 3	N	100	125-	41	166EX	928	762	1107	103
5M2826 3	N	100	3358-	2021	5379EX	1286	4093-	1541	268
7B2826 3	N	100	4310	1224	3086	926	4012	1104	102
JICARILLA N									
1L 826 4	N	100	16920	9436	7484	3011	10495	3633	1064

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
3L 5 2 6 4	N	100	24	2979	2955 EX	1646	1309-	1977	434
5L 6 2 6 4	N	103	53694	9235	44459	5073	49532	6135	1948
6A 7 2 6 4	N	100	4101	4976	875 EX	3000	2125	3620	1059
7A 8 2 6 4	N	100	895	136	759	1104	1863	1320	184
9H 6 2 6 4	N	102	6783	5482	1301	2574	3875	3103	839
12D 6 2 6 4	NC	103	2646-	77	2723 EX	2221	502-	2675	670
11D 7 2 6 4	N	103	13046	2478	10568	1281	11849	1534	249
OCCIDENTAL PETROLEUM CORPORATION			.....	.....	.....	.....			
LICARILLA E									
1M 2 1 2 6 3	N	100	6296	2411	3885	1206	5091	1443	231
2K 2 7 2 6 3	N	100	4834	1694	3140	931	4071	1109	104
PAN AMERICAN PETROLEUM CORPORATION			....		.....	.....			
PHILLIPS A									
1A 1 0 2 5 3	N	100	1301	3407	2106 EX	3507	1401	4235	1293
PHILLIPS B									
1K 1 0 2 5 3	N	100	4160-	14381	X018541 EX	1615	16926-	1940	420
PHILLIPS C									
1H 1 5 2 2 5 3	N	100	5154	194	4960	2272	7232	2737	723
2E 1 5 2 2 5 3	N	100	13038	524	12514	7309	19823	8849	3048
PHILLIPS GAS UNIT D									
1-I 1 0 2 5 3	N	100	2809	2532	277	2889	3166	3486	1008
PHILLIPS GAS UNIT E									
1C 1 0 2 5 3	N	100	10341-	3057	13398 EX	3359	10039-	4056	1225
JAMES E. ROGERS			....	.....	.....	.....			
SCHMITZ									
1A 1 6 2 5 3	N	100	9122-		9122 EX	4525	4597-	5471	1763
SOCONY MOBIL OIL COMPANY INCORPORATED						....			
LICARILLA B									
1M 1 9 2 6 3	N	93	3100	243	2857	2023	4880	2436	679
2A 1 9 2 2 6 3	N	100	1907	264	1643	1453	3096	1743	345
3M 2 2 2 6 3	N	111	4295	1846	2449	1414	3863	1696	327
5A 2 2 2 6 3	N	111	3301	1713	1588	980	2568	1170	127
6A 1 7 2 6 3	N	111	395-	43	438 EX	1730	1292	2079	473
LICARILLA C									
2N 7 2 6 3	M	100	1804	1804		2464	2464	2464	261
3H 8 2 6 3	N	100	5344	2121	3223	846	4069	1007	65
DIPEL INE TOTAL	T	OTAL	121638	230437	108799 EX	197599	88800	235759	
SOUTHERN UNION GAS PIPELINE SYSTEM									
DAN AMERICAN PETROLEUM CORPORATION			....		....	....			
LICARILLA A PHILLIPS CONTRACT 102									
1N 1 0 2 6 4	N	100	67755-	11120	17895 EX	3093	14802-	3733	1102
2G 9 2 2 6 4	N	100	3304	6616	3312 EX	1767	1545-	2124	490
3K 9 2 2 6 4	N	100	3858	22278	18420 EX	2592	15828-	3126	871
4K 4 2 2 6 4	N	100	147-	6975	7122 EX	1388	5734-	1664	315
6K 3 2 6 4	N	100	7670	3718	3952	1167	5119	1396	213
SKELLY OIL COMPANY			....	.....	.....	.....			
HURT									
2L 1 4 2 5 3	XM	100				1203	1203	1203	55
3B 1 4 2 2 5 3	N	100	26043	6843	19200	3264	22464	3941	1181
4L 1 4 2 5 3	N	100	23946	3327	20619	2822	23441	3404	977
SOUTHERN UNION PRODUCTION COMPANY			....	.....	.....	.....			
LICARILLA A									
1K 2 3 2 6 4	N	100	6495		6495	3143	9638	3794	1125
2M 1 4 2 2 6 4	N	100	14993		14993	3338	18331	4030	1215
4N 1 3 2 6 4	N	100	7180	2076	5104	1414	6518	1696	327
5A 2 3 2 6 4	N	100	9791		9791	2577	12368	3107	864
6K 2 4 2 6 4	N	100	18775		18775	4402	23177	5321	1706
7B 2 4 2 6 4	N	100	2735		2735	2395	5130	2887	780

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
JICARILLA A B									
4 I 25 26 4	N	100	9102-		9102 EX	5632	3470-	6814	2274
5 D 26 26 4	N	100	55731-		X055731 EX	2042	53689-	2458	617
JICARILLA A C									
2 M 11 26 4	N	100	4334	2191	2143	1440	3583	1727	339
JICARILLA A D									
1 D 33 26 3	N	100	4725	1673	3052	1106	4158	1322	185
2 K 33 26 3	N	100	11893		11893	2259	14152	2721	717
3 I 33 26 3	N	100	9603		9603	3942	13545	4764	1494
4 H 33 26 3	N	100	5404	10986	5582 EX	2133	34491-	2568	659
5 K 33 26 3	N	100	27918-		27918 EX	5119	22799-	6191	2037
6 C 33 26 3	N	100	25565-		25565 EX	7145	18420-	8649	2972
7 I 33 26 3	N	100	31452-		31452 EX	6375	25077-	7716	2617
JICARILLA A E									
1 I 16 26 4	N	100	33315-	10379	13694 EX	2244	11450-	2703	710
2 K 11 26 4	N	100	11591		11591	2046	13637	2463	619
3 B 11 26 4	N	100	18788-		18788 EX	2085	2707	2511	637
4 A 12 26 4	N	100	27444-		27444 EX	4116	13728	4974	1574
5 F 16 26 4	N	100	11564	15341	3777 EX	7192	3415	8707	2994
JICARILLA A G									
2 I 11 26 5	N	100	31400	27699	3701	10605	14306	12848	4569
3 C 11 26 5	N	100	26166	11117	15049	4259	19308	5147	1640
JICARILLA A H									
2 G 17 26 4	XM	100	2193	2193		1412	1412	1412	59
5 H 18 26 4	NC	100	6503-		6503 EX	1260	5243-	1509	256
LEBO W									
1 D 14 22 5 3	N	100	40031	7385	32646	4369	37015	5282	1691
MART NE SW	T	ANTE							
1 M 22 25 3	N	100	1328-		1328 EX	3357	2029	4054	1224
MCCORD A									
1 M 32 25 3	N	100	24620	3172	21448	2185	23633	2632	683
MCCORD A									
1 A 9 22 5 3	N	100	6591	3315	3276	1758	5034	2114	486
2 O 9 22 5 3	N	100	370002	441170	325832	28372	354204	344051	12769
MCCORD B									
1 K 4 22 5 3	N	100	3605	4880	1275 EX	2198	923	2647	689
2 I 4 22 5 3	N	100	23791	11976	9597 EX	4644	4953-	5615	1818
DIPEL NE	TOTAL		518433	219430	299003	153860	452863	185379	
POOL TOTAL			640071	449867	190204	351459	541663	421138	

WEST KUTZ PICTURED CLIFF POOL

EL PASO NATURAL GAS PIPELINE SYSTEM

AZTEC OIL AND GAS COMPANY

HAGOOD

1 P 34 29 13	TN	100	39.75	426	3549	1000	4549	1000	181

ROBINSON

1 D 22 28 13	XM	100	10	10		61	61	61	

SCHWERDTFEGER

1 L 8 27 11	XM	100							
2 C 2 8 27 11	XM	100	86	86		467	467	467	19
3 M 5 27 11	XM	100	40	40		554	554	554	9

CALTO OIL COMPANY

MEAD FEDERAL

1 A 32 6 11	XM	100	386	386		598	598	598	16

NAVAJO

POOL 1 M 32 6 11	XM	100	313	313		476	476	476	19

EL PASO NATURAL GAS COMPANY

BOLACK

2 I 2 12 7 11	XM	100	25	25		276	276	276	20
5 K 9 27 11	N	100	1110	316	794	720	1514	794	177
6 C 9 27 11	XM	100	101	101		432	432	432	3
7 A 9 27 11	XM	100	11	11		164	164	164	

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE OR DELIVERABILITY
8 I 9 2 2 7 1 1 1	N	1.00	267		267	452	719	497	79
11 A 1 6 2 2 2 7 1 1 1 1	N	1.00	1237-	420	1657 EX	889	768-	981	239
12 C 1 5 2 2 2 7 1 1 1 1	X M	1.00	215	215		939	939	939	57
13 K 1 5 5 2 2 2 7 1 1 1 1	N	1.00	2216-	305	1521 EX	643	878-	709	149
14 - 1 6 2 2 2 7 1 1 1	N	1.00	765	562	203	1567	1770	1731	487
HARMON A									
1 K 2 2 2 2 7 1 2 2	X M	1.00	43	43		939	939	939	77
2 E 3 K 1 2 2 7 1 1	X M	1.00	4253	282	3971	649	4620	715	151
HUERFANO UNIT			528	528		1028	1028	1028	24
6 M 3 1 2 2 7 1 1 0 0	X M	1.05	8647	3650	4997	1516	6513	1674	442
10 G M 6 2 2 6 1 1 0 0	X M	1.00	122	122		552	552	552	26
12 G M 4 8 2 2 6 1 1 0 0	N	1.00	2084	1374	710	673	1383	742	160
13 G M 8 5 2 2 6 1 1 0 0	N	1.00	4023	332	3691	1000	4691	1000	66
14 M 5 2 2 2 6 1 1 0 0	X	1.00	84	84		228	228	228	26
15 A 3 3 2 2 2 7 1 1 0 0	X	1.00	785	785		932	932	932	54
16 I 3 3 6 2 2 7 1 1 0 0	N	1.00	5525	2968	2443 EX	791	1652-	872	203
17 G M 3 3 1 2 2 2 7 1 1 0 0	N	1.00	1968	3278	1310 EX	799	511-	881	206
18 G M 3 5 2 2 2 7 1 1 0 0	N	1.00	1953	3383	430 EX	711	281	784	174
19 B 3 5 2 2 2 6 1 1 0 0	N	1.00	5309	2323	2982	884	3866	975	237
20 M 3 3 2 2 2 7 1 1 0 0	N	1.00	2558	1579	1010	665	1615	675	135
22 I 3 3 2 2 2 7 1 1 0 0	T	1.00	1308	728	580	1000	1580	1000	63
24 4 9 3 2 2 2 7 1 1 0 0	T	1.00	461-	384	430 EX	501	71	552	97
4 4 4 2 2 6 1 1 0 0	X	1.00	158	158		560	560	560	33
6 2 4 4 2 2 2 6 1 1 0 0	X M	1.00	734	734		731	731	731	33
6 3 4 4 2 2 2 6 1 1 0 0	N	1.00	11955	6566	5390	1624	7014	1794	508
6 5 E 6 6 2 2 2 6 1 1 0 0	N	1.00	6401	3015	3386	1146	4532	1265	333
6 6 - 6 6 2 2 2 6 1 1 0 0	N	1.00	1889	794	1095	416	1511	458	66
6 7 C 6 6 2 2 2 6 1 1 0 0	N	1.00	16122	12053	4069	3451	7520	3814	1176
7 0 C 8 2 2 2 2 6 1 1 0 0	T	1.00	2832	812	2020	1000	3020	1000	79
7 1 E 3 3 2 2 2 2 6 1 1 0 0	T	1.00	5394		5394		8136	896	211
7 8 D E 3 1 2 2 2 2 6 1 1 0 0	T	1.00	1143	1143		2680	4686	2961	894
7 9 D E 3 3 1 2 2 2 2 6 1 1 0 0	T	1.00	6695-	3155	3540 EX	949	2061-	1047	261
8 0 D D 3 3 3 2 2 2 2 6 1 1 0 0	N	1.00	6446	2237	4209 EX	2805	2786-	3100	944
8 1 D D 3 3 3 2 2 2 2 6 1 1 0 0	T	1.00	593	2388	3555	561	916	618	119
8 2 4 W E 3 3 6 2 2 2 2 6 1 1 0 0	T	1.00	3446	1108	2338	1000	3338	1000	159
8 C H E R 8 8 2 2 2 2 6 1 1 0 0	T	1.00	7902	3559	4343	1493	5836	1649	460
S 3 C - K A 8 8 2 2 2 2 6 1 1 0 0	X	1.00							
4 5 K A 2 1 2 2 2 2 6 1 1 0 0	X	1.00				55	55	55	
5 6 K A 2 2 8 8 2 2 2 6 1 1 0 0	T	1.00	714	803	89 EX	520	431	573	104
6 7 A 1 1 7 6 7 2 2 2 6 1 1 0 0	X	1.00	9744-	10003	1974 EX	482	1492-	531	90
9 A 1 1 7 6 7 2 2 2 6 1 1 0 0	X	1.00	21	21		312	312	312	37
1 0 C - K 1 1 1 1 7 6 7 2 2 2 6 1 1 0 0	T	1.00	72	72		344	344	344	31
1 1 C - K 1 1 1 1 7 6 7 2 2 2 6 1 1 0 0	T	1.00	4570	289	4281	1000	5281	1000	43
1 2 3 C - K 1 1 1 1 7 6 7 2 2 2 6 1 1 0 0	X	1.00	1503	1027	476	1034	1510	1141	292
1 3 C - K 1 1 1 1 7 6 7 2 2 2 6 1 1 0 0	X	1.00	82	82		789	789	789	11
1 4 C - M 5 5 2 2 2 6 1 1 0 0	T	1.00	2288	1000	972 EX	476	496-	525	88
H 1 5 3 D 2 2 2 6 1 1 0 0	T	1.00	1053	569	484	1000	1484	1000	94
X O I L C O M P A N Y									
1 0 I - M 2 2 2 2 7 1 1 2 2	X	1.00	102	102		1240	1240	1240	146
2 3 D - I 3 2 2 2 2 7 1 1 2 2	X M	1.00	225	225		799	799	799	440
3 4 A 1 3 0 2 2 2 2 7 1 1 2 2	T	1.00	6084	229	5855	859	7144	948	228
4 5 D - 1 3 0 2 2 2 2 7 1 1 2 2	T	1.00	4145	277	4118	1000	5118	1000	122
5 6 I - 1 3 0 2 2 2 2 7 1 1 2 2	T	1.00	3369	76	3293	1000	4293	1000	56
6 7 L 3 2 2 2 7 1 1 2 2	N	1.00	1295	724	571	621	1192	685	141
FAIRWAY OIL COMPANY			....	.....	.....	.....			
KUTZ									
1 H 3 0 2 7 1 0 N	N	1.00	7045-		X007045 EX	375	6670-	413	51
GAS PRODUCERS CORPORATION			.....	.....	.....	.....			
PHILLIPS									
1 N 1 1 2 8 1 3	X M	86	482	482		936	936	936	67
A. A. GREER			....	.....	.....	.....			

WEST KUTZ POOL EL PASO SYSTEM CTD — YEAR: 1963 — PAGE: 118

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE: BEGINNING NET ALLOWABLE ±	JUNE: MCF PRODUCTION	JUNE: OVER/UNDER PRODUCTION ±	JULY: CURRENT ALLOWABLE	JULY: ENDING NET ALLOWABLE ±	AUGUST: NEW ALLOCATION	ACREAGE OR DELIVERABILITY
WININGER STATE									
1A 22611	XM	100	23	23		475	475	475	37
LOCKE TAYLOR DRILLING COMPANY									
FOUTZ									
1D 52712	N	100	2013	2175	162EX	709	547	781	173
PAN AMERICAN PETROLEUM CORPORATION									
GALLEGOS CANYON UNIT									
1K192912	N	100	2412-	1017	3429EX	955	2474-	1054	263
3L242812	N	100	286-	31	317EX	498	181	549	96
4G342812	N	100	3688	1127	2561	813	3374	896	211
5H132813	N	100	5654	1126	4528	1264	5792	1395	376
6L222812	N	100	3505	1552	1953	763	2716	842	193
7A302812	M	100	1028	1028		1439	1439	1439	81
9K322812	XM	100	354	354		910	910	910	90
10K332812	N	100	118	927	809EX	613	196-	676	138
11M342812	N	100	2221	737	1484	460	1944	506	82
12A332812	TN	100	4359	435	3924	1000	4924	1000	80
13M272812	TN	100	757	940	183EX	1000	817	1000	145
14M262812	TN	100	3236	1311	1925	1000	2925	1000	164
16B272812	N	100	3033	1756	1277	681	1958	751	163
17A282812	N	100	3732-		3732EX	1162	2570-	1283	339
18H212812	N	100	1841	1322	519	542	1061	597	112
19H202812	N	100	17-	1232	1249EX	711	538-	784	174
20M172812	N	100	3392	997	2395	668	3063	736	158
21M182812	N	95	2219	2945	726EX	1610	884	1778	534
22G182812	TN	100	4090	289	3801	1000	4801	1000	106
23N132813	XM	100	277	277		867	867	867	36
24J342812	N	100	4257	763	3494	947	4441	1044	260
28A302912	N	100	3803	233	3570	465	4035	512	84
30I332812	N	100	2704	1013	1691	692	2383	763	167
31E342812	XM	100	232	232		793	793	793	38
32N 72812	TN	81	4895	95	4800	1000	5800	1000	
33M212812	N	100	2636	2343	293	1184	1477	1307	347
34K282812	N	100	559	1175	616EX	679	63	748	162
35K202812	N	100	5988	4040	1948	1769	3717	1954	561
36H192812	N	100	9394	1864	7530	1182	8712	1304	346
37K192812	TN	95	1363	494	869	1000	1869	1000	73
38H242813	TN	100	2150	403	1747	1000	2747	1000	43
39M162812	TN	100	3279	685	2594	1000	3594	1000	79
40H292812	TN	100	1183	783	400	1000	1400	1000	144
41A322812	N	100	533-	190	723EX	465	258-	512	84
42N122813	N	86	7328	207	7121	867	7988	957	283
43A142813	XM	100	220	220		1283	1283	1283	58
44M352913	N	100	2406	2347	59	1165	1224	1286	340
45K292812	M	100	1014	1014		1407	1407	1407	58
48K302812	TN	95	3223	735	2488	1000	3488	1000	122
49A312812	N	100	379-	17	396EX	536	140	591	110
53M362812	XM	100	17	17		339	339	339	46
55G352812	TN	100	3638	387	3251	1000	4251	1000	88
56E352812	TN	100	3737	391	3346	1000	4346	1000	68
57M352812	XM	100	158	158		699	699	699	87
58O352812	XM	100	38	38		485	485	485	43
59M312811	N	97	1059	983	76	458	534	505	87
61A 42712	XM	100	468	468		1053	1053	1053	78
62C 42712	N	100	624-	1399	2023EX	1173	850-	1295	343
63G 52712	TN	100	1194	465	729	1000	1729	1000	63
64I 42712	N	100	3959	479	3480	903	4383	996	244
65M362913	XM	100	88	88		369	369	369	
66G352913	N	100	5671	1147	4524	722	5246	797	178
67B222812	TN	100	1639	905	734	1000	1734	1000	50
69A282912	XM	100	496	496		561	561	561	
72G362813	N	100	1076	6480	5404EX	1296	4108-	1431	388
73K202912	N	100	1581-	688	2269EX	1198	1071-	1323	352
74K292912	N	100	5153-	67	XOO5220EX	785	4435-	866	201
75G192912	N	100	4251		4251	1072	5323	1184	306

WEST KUTZ POOL EL PASO SYSTEM CTD)

JUNE JULY AUGUST

YEAR: 1963 PAGE: 119

DESCRIPTION	STATUS	ACREAGE FACTOR	BEGINNING NET ALLOWABLE ±	MCF PRODUCTION	OVER/UNDER PRODUCTION ±	CURRENT ALLOWABLE	ENDING NET ALLOWABLE ±	NEW ALLOCATION	ACREAGE OR DELIVERABILITY
SAN JUAN 32-9 UNIT TO EL PASO NATURAL GAS COMPANY									
ROBERTS UNIT #1	SI	000	23124	27937	4881 EX	5837	1024	6422	1227
		000	29844 -	12221	2935 EX	7661	4681 -	6839	1926
		000	15514	1382	1553 EX	8554	6834	8942	2076
		000	51633	1382	3781	8024	4583	8842	2076
ROBERTS UNIT #1	SI	000	26957	26957		3598	3598	3598	
		000	11958	11958		1133	1133	1133	
		000	22559	22559		1133	1133	1133	
		000	23931	23931		4	4	4	
ROBERTS UNIT #1	SI	000	15566 -	30	0015566 EX	1300	1556 -	1300	
		000	7613	20	552	100	1155	1004	
		000	23179	50	5518 EX	1400	2711 -	1304	
ROBERTS UNIT #1	SI	000	23312	23312		4195	4195	4195	
		000	13303 -	13303		1338	1338 -	1338	
		000	9991	9991		2857	2857	2857	
ROBERTS UNIT #1	SI	000	27937	27937		4199	4199	4199	2793
		000	17904	17904		2703	1336 -	1336	1790
		000	45841	45841		6902	2863	5535	4583
ROBERTS UNIT #1	SI	000	15543	15543		1063	1063	1063	1554
		000	11543	11543		1955	1955	1955	1154
		000	27086	27086		3018	3018 -	3018	2708
ROBERTS UNIT #1	SI	000	3						3
		000							
		000	3						3
ROBERTS UNIT #1	SI	000	9822	9366		7467 -	9822	9366	9822
		000	9651	9651		8975	9651	9651	9651
		000	19	19		1	19	19	19
		000	6301	6301		7468	6301	6301	6301
		000	16	16		1	16	16	16
ROBERTS UNIT #1	SI	000	2241	2241		1126	1126	1126	2241
		000	2217	2217		1126	1126	1126	2217
		000	4458	4458		2252	2252	2252	4458
ROBERTS UNIT #1	SI	000	15116	7150		4433 -	7150	7150	7150
		000	11473	7810		7057	7810	7810	7810
		000	26589	14960		11490	14960	14960	14960
ROBERTS UNIT #1	SI	000	23804	17940	0015886 EX	1588	1588	1588	1588
		000	23804	17940	0015886 EX	1588	1588	1588	1588
		000	47608	35880	0031772 EX	3176	3176	3176	3176

WEST KUTZ POOL SOU UNION SYSTEM CTD — APR: 19

DESCRIPTION	STATUS	ACREAGE FACTOR	JUNE BEGINNING NET ALLOWABLE ±	JUNE MCF PRODUCTION	JUNE OVER/UNDER PRODUCTION ±	JULY CURRENT ALLOWABLE	JULY ENDING NET ALLOWABLE ±	AUGUST NEW ALLOCATION	ACREAGE ON DELIVERABILITY
INTERNATIONAL OIL AND GAS CORPORATION .	NAL	0							
EDGAR HANCOCK									
1 1 22 27 11 22	NN	100	5465	606	4859	774	5633	854	197
1 2 22 27 11 22	NN	100	2791	526	2265	782	3047	863	200
1 K 22 27 11 22	NN	100	4678	307	4371	736	5107	812	183
1 A 11 27 11 22	NN	100	2944	308	2636	616	3252	679	139
1 D 11 27 11 22	NN	100	3392	148	3244	774	4018	854	197
1 D 11 27 11 22	NN	100	1207	898	309	837	1146	924	200
1 D 11 27 11 22	NN	100	3051	551	2500	755	3255	833	191
1 A 11 22 27 11 22	XM	100	125	125		333	333	333	21
1 A 11 27 11 22	XT	100	5288		5288	1 003	6 291	1 000	107
1 A 11 22 27 11 22	XM	100	90	90		336	336	336	200
1 G 11 27 11 22	NN	100	2747		2747	992	3639	999	245
1 C 11 27 11 22	NN	100	1961		1961	520	2481	573	104
1 C 1 11 27 11 2	N	100	2466		2466	635	3101	700	146
MUDGE A									
1 K 7 22 7 11 1	N	99	2588		2588	611	3199	673	139
1 C 1 8 22 7 11 1	NN	100	1310		1310	444	1754	488	76
1 A 1 7 22 7 11 1	XM	99	5066	871	4195	618	4813	682	140
1 6 22 7 11 1	XM	99	486	486		876	876	876	36
1 5 6 22 7 11 1	XM	100	149	149		177	177	177	33
1 D 7 22 7 11 1	NN	99	2088	397	1691	619	2310	683	145
1 L 6 22 7 11 1	XM	99	7			371	371	371	21
1 D 6 22 7 11 1	XM	99	39	39		165	165	165	15
1 A 6 22 7 11 1	NN	100	2289		2289	591	2880	651	130
1 A 7 22 7 11 1	XM	100	38	38		90	90	90	73
MUDGE B									
1 A 29 22 7 11 1	N	100	1710		1710	550	2260	606	115
KING OIL CORPORATION .									
DAY M									
4 M 30 27 10	N	105	28720		28720	2754	31474	3044	873
R AND G DRILLING COMPANY INCORPORATED									
SCHLOSSER									
1 M 10 27 11	TN	100	2969	315	2654	1000	3654	1000	6
O. H. RANDEL									
TONKINS									
X 0 1 K 13 27 12	XM	100				819	819	819	43
3 C 13 27 12	XM	100	60	60		768	768	768	40
4 A 13 27 12	N	100	4859		4859	714	5573	788	175
TED M. WHITE AND WALTER C. PIPER									
EATON WHITE									
7 7 F 20 29 13	NC	100	1686-	6226	X007912 EX	285	7627-	313	18
FAWKES									
1 D 18 29 13	N	75	6259		6259	1429	7688	1578	610
HAGOOD									
X 0 1 D 20 29 13	N	100	9895		9895	949	10844	1047	261
POOL PIPELINE	TOTAL		75765	16280	59485	40258	99743	43730	
POOL TOTAL			311243	157822	153421	161525	314946	172054	

STATE OF NEW MEXICO COUNTY OF SAN JUAN

IN THE DISTRICT COURT

EL PASO NATURAL GAS COMPANY, et al.,

Petitioners,

vs. No. 11,685

OIL CONSERVATION COMMISSION OF NEW MEXICO, et al.,

Respondents.

REQUESTED FINDINGS OF FACT AND CONCLUSIONS OF LAW OF RESPONDENTS OIL CONSERVATION COMMISSION, TEXACO INC., AND SUNRAY DX OIL COMPANY

Respondents Oil Conservation Commission of New Mexico, Texaco Inc., and Sunray DX Oil Company respectfully submit to the Court the following:

FINDINGS OF FACT

1. Petitioners El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, and Sunset International Petroleum Corporation are corporations authorized to do business in the State of New Mexico; Petitioner Southwest Production Company is a partnership consisting of Joseph P. Driscoll and John H. Hill, doing business as a partnership in the State of New Mexico.

2. After commencement of this cause, Beta Development Co., a Texas corporation, was substituted for Southwest Production Company as a petitioner.

3. Respondent Oil Conservation Commission of New Mexico is a duly organized agency of the State of New Mexico, whose members are Jack M. Campbell, Chairman, E. S. Walker, and A. L.

Porter, Jr., Secretary; Respondent Consolidated Oil & Gas, Inc., is a corporation authorized to do business in the State of New Mexico.

4. By Order of the Court, Texaco Inc. and Sunray DX Oil Company, corporations authorized to do business in the State of New Mexico, were granted leave to intervene as parties respondent in this cause, and Pubco Petroleum Corporation and Southern Union Gas Company were permitted to appear amicus curiae.

5. In November 1960, the Oil Conservation Commission issued Order No. R-1670-C which established Special Rules and Regulations for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, and adopted, by reference, Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico as set forth in Order No. R-1670. Rule 9(C) of Order No. R-1670 established a formula for allocating gas production from prorated gas pools in Northwest New Mexico on the basis of 25 percent acreage plus 75 percent acreage times deliverability. Until August 1, 1963, the effective date of Order No. R-2259-B, the allocation of allowable production of gas from the Basin-Dakota Gas Pool was determined by this formula. Since the effective date of Order No. R-2259-B, the allocation of allowable gas production in the Basin-Dakota Gas Pool has been determined by a formula of 60 percent acreage plus 40 percent acreage times deliverability.

6. On February 23, 1962, Consolidated Oil & Gas, Inc., filed its application with the Commission to change the formula for allocating the allowable gas production in the Basin-Dakota Gas Pool from a formula of 25 percent acreage plus 75 percent acreage times deliverability to a formula of 60 percent acreage plus 40 percent acreage times deliverability. This application was docketed by the Commission as its Case No. 2504. The case was duly advertised and heard by the Commission on April 18 and 19, 1962. On June 7, 1962, the Commission issued Order No.

R-2259 which found that the evidence presented at the hearing of the case concerning recoverable gas reserves in the pool was insufficient to justify any change in the allocation formula and denied the application, retaining jurisdiction for the entry of such further orders as the Commission might deem necessary.

7. On June 27, 1962, Consolidated Oil & Gas, Inc., filed a Petition for Rehearing, and on July 7, 1962, the Commission issued Order No. R-2259-A which found that a rehearing should be granted and that the scope of the rehearing should be limited to matters concerning recoverable gas reserves in the pool. Order No. R-2259-A granted a rehearing and limited the scope of the rehearing to matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool.

8. On February 14 and 15, 1963, the Commission reheard Case No. 2504 and subsequently issued Order No. R-2259-B. By Order No. R-2259-B, the Commission superseded Order No. R-2259, which had denied Consolidated's application, and amended the Special Rules and Regulations for the Basin-Dakota Gas Pool as promulgated by Order No. R-1670-C. The new formula allocated the allowable assigned to non-marginal wells in the following manner:

(1) Forty percent in the proportion that each well's acreage times deliverability factor bears to the total of the acreage times deliverability factors for all non-marginal wells in the pool.

(2) Sixty percent in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

9. In Finding No. 3 of Order No. R-1670-C, the Commission determined that the producing capacity of the wells in the Dakota Producing Interval was in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area.

10. Order No. R-2259-B contained 18 findings to substantiate adoption of the new formula.

In Findings No. 1 through 4, the Commission determined that it had jurisdiction of the cause, that the Commission had adopted a formula for allocating allowable production from the Basin-Dakota Gas Pool on the basis of 25 percent acreage plus 75 percent acreage times deliverability, and that Consolidated sought to amend the formula to allocate the allowable production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

In Finding No. 5, the Commission determined the total initial recoverable gas reserves in the Basin-Dakota Gas Pool and the amount which was attributed to marginal wells which were permitted to produce at capacity.

In Finding No. 6, the Commission determined, in million cubic feet, the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool.

In Finding No. 7, the Commission determined the percent of total pool reserves attributable to each non-marginal tract in the pool.

In Finding No. 8, the Commission determined that it was not practicable to allocate production solely on the basis of each well's percentage of pool reserves because of the continuous fluctuation in reserve computations resulting from new completions in the pool and the re-evaluation of reserves attributed to existing wells.

In Finding No. 9, the Commission determined a tract acreage factor and the deliverability for each non-marginal well in the pool.

In Finding No. 10, the Commission determined that neither acreage nor deliverability should be used as the sole criterion for allocating production as there was no direct correlation between deliverability and reserves, or acreage and reserves.

In Finding No. 11, the Commission determined that the most reasonable basis for allocating production in the Basin-Dakota Gas Pool was to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, and to select the allocation formula that would allow the maximum number of wells in the pool to produce with an ideal ratio of 1.0, or with a ratio of from 0.7 to 1.3, which was reasonable due to inherent variance in interpreting and computing reserves.

In Finding No. 12, the Commission determined that the number of wells in the pool producing with a desired ratio was affected by the percentage of deliverability and the percentage of acreage included in the formula.

In Finding No. 13, the Commission determined that correlative rights were not being adequately protected under the formula then in effect, that the protection of correlative rights was a necessary adjunct to the prevention of waste, and that waste would result unless the Commission acted to protect correlative rights.

The Commission identified each non-marginal well producing with the desired ratio under each formula with an asterisk and determined, in Finding No. 14, that a comparison of the total number of wells producing with the desired ratio under each formula and the total volume of gas allocated to the wells producing with the desired ratio under each formula established that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability would more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool.

In Finding No. 15, the Commission determined that numerous wells in the pool were capable of draining more than their just and equitable share of the gas and that the proposed formula would, insofar as practicable, prevent drainage

between producing tracts which was not equalized by counter-drainage.

In Finding No. 16, the Commission determined that the proposed formula would, insofar as practicable, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

In Finding No. 17, the Commission determined that Order No. R-1670-C should be amended to provide an allocation formula based 60 percent on acreage and 40 percent on acreage times deliverability.

In Finding No. 18, the Commission determined that Order No. R-2259-B should not be effective until August 1, 1963.

11. Following the issuance of Order No. R-2259-B, Applications for Rehearing in Case No. 2504 were filed with the Commission by all of the Petitioners in this case.

12. On August 1, 1963, the Commission issued Order No. R-2259-C which determined that the Applications for Rehearing did not allege that the applicants for rehearing had new or additional evidence to present, that the Commission had carefully considered the evidence presented in the case and was fully advised in the premises, and that Order No. R-2259-B was proper in all respects. By Order No. R-2259-C, the Commission denied the Applications for Rehearing.

13. Petitions for Review were thereafter duly filed by all of the Petitioners in this case.

14. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Orders No. R-2259-B and R-2259-C.

15. The Transcript of Record and Proceedings in Case No. 2504 before the Oil Conservation Commission contains substantial evidence to support the Commission's findings in Order No. R-2259-B.

16. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

17. Oil Conservation Commission Orders No. R-2259-B and

R-2259-C are not erroneous, invalid, improper, or discriminatory.

18. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B allocates the allowable production among the gas wells in the Basin-Dakota Gas Pool upon a reasonable basis, recognizing correlative rights, and, insofar as practicable, prevents drainage between producing tracts in the pool which is not equalized by counter-drainage.

19. The formula adopted by the Oil Conservation Commission in its Order No. R-2259-B affords to the owner of each property in the Basin-Dakota Gas Pool the opportunity to produce without waste his just and equitable share of the gas in the pool, insofar as it is practicable to do so, and for this purpose to use his just and equitable share of the reservoir energy.

20. Oil Conservation Commission Orders No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

21. Petitioners have failed to join parties whose interests will necessarily be affected by a decree in this case.

CONCLUSIONS OF LAW

1. The Court has jurisdiction over the subject matter of this suit and the parties thereto.

2. Oil Conservation Commission Order No. R-2259-B contains the basic jurisdictional findings required by law to issue a valid order allocating allowable gas production among the producers in a pool.

3. Oil Conservation Commission Order No. R-2259-B contains findings which fully comply with all statutory requirements concerning allocation of allowable gas production among producers in a pool.

4. The findings contained in Oil Conservation Commission Order No. R-2259-B are based upon and supported by substantial evidence.

5. Oil Conservation Commission Orders No. R-2259-B and R-2259-C will prevent waste and protect correlative rights.

6. The Oil Conservation Commission did not act fraudulently, arbitrarily or capriciously in issuing Orders No. R-2259-B and R-2259-C.

7. The Oil Conservation Commission did not exceed its authority in issuing Orders No. R-2259-B and R-2259-C.

8. The Oil Conservation Commission had jurisdiction to enter Orders No. R-2259-B and R-2259-C.

9. The Petitioners have failed to sustain the burden of proof placed upon them by law and therefore the Petition for Review should be dismissed and Oil Conservation Commission Orders No. R-2259-B and R-2259-C should be affirmed.

10. The Petition for Review must be dismissed and judgment entered for the Respondents as Petitioners have failed to join necessary and indispensable parties.

J. M. DURRETT, Jr.
Special Assistant
Attorney General

Attorney for Respondent
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

GILBERT, WHITE & GILBERT
Attorneys for Respondents
Texaco Inc., and Sunray DX
Oil Company, P. O. Box 787,
Santa Fe, New Mexico

I certify that a copy of this pleading
was mailed to opposing counsel of record
on March 30, 1964.

J. M. Durrett, Jr.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-2259.

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2504
Order No. R-2259

APPLICATION OF CONSOLIDATED OIL & GAS, INC.
FOR AN AMENDMENT OF ORDER NO. R-1670-C,
CHANGING THE ALLOCATION FORMULA FOR THE
BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA
AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 18, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 7th day of June, 1962, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-1670-C, entered in Case No. 2095 effective February 1, 1961, the Basin-Dakota Gas Pool was created and prorated under an allocation formula based on seventy-five (75) percent acreage times deliverability plus twenty-five (25) percent acreage.

(3) That the applicant, Consolidated Oil & Gas, Inc., seeks the amendment of said Order No. R-1670-C to establish an allocation formula for the Basin-Dakota Gas Pool based on forty (40) percent acreage times deliverability plus sixty (60) percent acreage.

(4) That the evidence presented at the hearing of this case concerning recoverable gas reserves in the subject pool is insufficient to justify any change in the present allocation formula.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-2259-A.

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2504
Order No. R-2259-A

APPLICATION OF CONSOLIDATED OIL & GAS, INC. FOR AN AMENDMENT OF ORDER NO. R-1670-C, CHANGING THE ALLOCATION FORMULA FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for reconsideration upon the petition of Consolidated Oil & Gas, Inc. for a rehearing in Case No. 2504, Order No. R-2259, heretofore entered by the Commission on June 7, 1962.

NOW, on this 7th day of July, 1962, the Commission, a quorum being present, having considered the petition for rehearing,

FINDS:

(1) That petitioner, Consolidated Oil & Gas, Inc., in its petition for rehearing proposes that rehearing in the subject case consist of two parts: (a) a preliminary hearing before an examiner to take evidence concerning basic factual data relating to each well in the Basin-Dakota Gas Pool, and (b) a subsequent hearing before the Commission itself at which time additional testimony, evidence and expert opinions would be received.

(2) That a rehearing in the subject case should be granted, and that the scope of such rehearing should be limited to matters concerning recoverable gas reserves in the pool.

(3) That the rehearing should be held before the full Commission; the referral of any matter to an examiner should be at the Commission's discretion upon motion made at such rehearing.

IT IS THEREFORE ORDERED:

(1) That a rehearing in the subject case is hereby granted, and is set for the regular Commission hearing on August 15, 1962.

(2) That the scope of such rehearing shall be limited to matters concerning recoverable gas reserves in the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of the Commission's Ruling on Motions to Quash Subpoenas Duces Tecum in Case No. 2504.

A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 2504
REHEARING

APPLICATION OF CONSOLIDATED OIL & GAS,
INC., FOR AN AMENDMENT OF ORDER NO.
R-1670-C, CHANGING THE ALLOCATION FORMULA
FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN,
RIO ARRIBA, AND SANDOVAL COUNTIES, NEW MEXICO.

RULING ON MOTIONS TO QUASH SUBPOENAS DUCES TECUM

BY THE COMMISSION:

This matter came on for hearing at 9 o'clock a.m. on September 13, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," upon written Motions to Quash Subpoenas Duces Tecum filed by George Eaton, El Paso Natural Gas Company, Pubco Petroleum Corporation, and David H. Rainey, and upon oral Motions to Quash Subpoenas Duces Tecum by Aztec Oil & Gas Company and Frank Renard.

NOW, on this 18th day of October, 1962, the Commission, a quorum being present, having read and heard the Motions and heard the arguments of counsel thereon, and being otherwise fully advised in the premises,

FINDS:

(1) That the Commission has jurisdiction over the subject matter and the parties to this cause.

(2) That during oral argument before the Commission, it was stipulated by counsel for the applicant, Consolidated Oil & Gas, Inc., and counsel for Southwest Production Company, that Carl Smith would not be called as a witness as Leon Wiederkehr had been subpoenaed and would appear in lieu of the said Carl Smith.

(3) That during oral argument before the Commission, it was stipulated by counsel for the applicant, Consolidated Oil & Gas, Inc., and counsel for Aztec Oil & Gas Company that Joe Salmon would not be called as a witness as L. M. Stevens had been subpoenaed and would appear in lieu of the said Joe Salmon.

(4) That the Subpoenas Duces Tecum served in this cause upon the said Carl Smith and Joe Salmon should be quashed.

(5) That under the subpoenas served in this cause on George Eaton, Frank D. Gorham, David H. Rainey, Frank Renard, L. M. Stevens, and Leon Wiederkehr, and subject to a determination of custody and/or control, the Commission should require only the production of all core analysis reports and all electric and radioactivity logs concerning any and all wells that have been cored in the Basin-Dakota Gas Pool by the respective companies of the subpoenaed witnesses.

(6) That the Commission should allow all parties subpoenaed in this cause to present evidence concerning custody and/or control of core analysis reports and electric and radioactivity logs concerning any and all wells that have been cored in the Basin-Dakota Gas Pool by the respective companies of the subpoenaed witnesses.

(7) That all persons subpoenaed in this cause and determined by the Commission to have custody of core analysis reports and electric and radioactivity logs concerning any well or wells cored in the Basin-Dakota Gas Pool by their respective companies should appear before the Commission at 9 o'clock a.m., on December 19, 1962 in Morgan Hall, State Land Office Building, Santa Fe, New Mexico, and produce the aforesaid documents and/or reports in accordance with this ruling.

IT IS THEREFORE ORDERED:

(1) That the Subpoenas Duces Tecum served in this cause upon Carl Smith and Joe Salmon, be, and they are hereby, quashed.

(2) That under the subpoenas served in this cause and subject to a determination of custody and/or control, George Eaton, Frank D. Gorham, David H. Rainey, Frank Renard, L. M. Stevens, and Leon Wiederkehr, shall be, and they are hereby ordered to appear before the Commission at 9 o'clock a.m., on December 19, 1962 in Morgan Hall, State Land Office Building, Santa Fe, New Mexico, and there produce all core analysis reports and all electric and radioactivity logs concerning any and all wells that have been cored in the Basin-Dakota Gas Pool by their respective companies.

(3) That all persons subpoenaed in this cause shall be allowed to present evidence concerning custody and/or control

of all core analysis reports and all electric and radioactivity logs concerning any and all wells that have been cored in the Basin-Dakota Gas Pool by their respective companies before the Commission at 9 o'clock a.m., on November 14, 1962 in Morgan Hall, State Land Office Building, Santa Fe, New Mexico.

(4) That jurisdiction of this matter is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Farmington, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

ir/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-1670.

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1937
Order No. R-1670

APPLICATION OF THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER CONSOLIDATING THE SPECIAL RULES GOVERNING THE SEVEN PRORATED GAS POOLS IN NORTHWEST NEW MEXICO, AND TO CONSIDER CONSOLIDATING THE SPECIAL RULES GOVERNING THE SIX PRORATED GAS POOLS IN SOUTHEAST NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on April 13, 1960, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of May, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That in the past the Commission has held numerous hearings and taken voluminous testimony from engineers, geologists, and other interested parties and entered many orders creating, delineating, spacing, prorating, and otherwise regulating the Pools now designated the Blinebry, Crosby-Devonian, Eumont, Jalmat, Justis, Tubb, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, Tapacito-Pictured Cliffs, West Kutz-Pictured Cliffs, and Blanco Mesaverde Gas Pools in the interests of conservation, prevention of waste, and protection of correlative rights.

(3) That it has been found by the Commission that one well will efficiently and economically drain the area of the proration units set out in the Special Pool Rules in each of the several gas pools listed above.

(4) That the total producing capacity of the wells in each of these pools has been found to be greater than the market demand for gas produced from each of these pools.

(5) That prorationing has been instituted in each of these pools.

(6) That it is both feasible and desirable that the Special Pool Rules for the seven prorated gas pools in Northwest New Mexico be consolidated and that the Special Pool Rules for the six prorated gas pools in Southeast New Mexico be consolidated.

(7) That the following orders should be superseded:

Aztec-Pictured Cliffs Gas Pool	Ballard-Pictured Cliffs Gas Pool	Fulcher Kutz-Pictured Cliffs Gas Pool
R-46	R-846	748
R-565	R-846-A	R-59
R-565-A	R-967	R-565
R-565-C		R-565-A
R-565-D		R-565-C
R-614		R-565-D
R-620		R-614
R-697		R-620
		R-697

South Blanco-Pictured Cliffs Gas Pool	Tapacito-Pictured Cliffs Gas Pool	West Kutz-Pictured Cliffs Gas Pool
R-565	R-1193	R-46
R-565-A	R-1193-A	R-566
R-565-B		R-566-A
R-565-C		R-566-B
R-565-D		R-566-C
R-614		R-566-D
R-620		R-566-E
R-967		R-967

Blanco Mesaverde Gas Pool	Blanebry Gas Pool	Crosby Devonian Gas Pool
R-799	R-264-A	R-639
R-110	R-356	R-639-A
R-128	R-372	R-639-B
R-128-A	R-372-A	
R-128-B	R-464	
R-128-C	R-610-C	
R-128-D&E	R-610-D	
R-967	R-967	

Eumont Gas Pool	Jalmat Gas Pool	Justis Gas Pool
R-264-A	R-264-A	R-264-A
R-356	R-356	R-356
R-370	R-368	R-375
R-370-A	R-368-A	R-375-A
R-370-B	R-368-B	R-586-A
R-371	R-967	R-586-C
R-371-A		R-586-E
R-967		R-586-F
		R-967

Tubb Gas Pool

R-356
R-373
R-373-A
R-464
R-967

(8) That all provisions in the following orders relative to the regulation of gas wells in prorated gas pools should be superseded:

Blinebry Gas Pool	Eumont Gas Pool	Jalmat Gas Pool
R-264	R-264	R-264
R-610	R-520	R-520
R-610-A	R-520-A	R-520-A
R-610-B	R-767	R-553
	R-767-A	R-640
		R-663
		R-690

Justis Gas Pool	Tubb Gas Pool
R-586	R-264
	R-586
	R-586-B

IT IS THEREFORE ORDERED:

(1) That the following orders be and the same are hereby superseded:

Aztec-Pictured Cliffs Gas Pool	Ballard-Pictured Cliffs Gas Pool	Fulcher Kutz-Pictured Cliffs Gas Pool
R-46	R-846	748
R-565	R-846-A	R-59
R-565-A	R-967	R-565
R-565-C		R-565-A
R-565-D		R-565-C
R-614		R-565-D
R-620		R-614
R-697		R-620
		R-697

South Blanco-Pictured Cliffs Gas Pool	Tapacito-Pictured Cliffs Gas Pool	West Kutz-Pictured Cliffs Gas Pool
R-565	R-1193	R-46
R-565-A	R-1193-A	R-566
R-565-B		R-566-A
R-565-C		R-566-B
R-565-D		R-566-C
R-614		R-566-D
R-620		R-566-E
R-967		R-967

Blanco Mesaverde Gas Pool	Blinebry Gas Pool	Crosby Devonian Gas Pool
R-799	R-264-A	R-639
R-110	R-356	R-639-A
R-128	R-372	R-639-B
R-128-A	R-372-A	
R-128-B	R-464	
R-128-C	R-610-C	
R-128-D&E	R-610-D	
R-967	R-967	

Eumont Gas Pool

R-264-A
R-356
R-370
R-370-A
R-370-B
R-371
R-371-A
R-967

Jalmat Gas Pool

R-264-A
R-356
R-368
R-368-A
R-368-B
R-967

Justis Gas Pool

A-264-A
R-356
R-375
R-375-A
R-586-A
R-586-C
R-586-E
R-586-F
R-967

Tubb Gas Pool

R-356
R-373
R-373-A
R-464
R-967

(2) That all provisions in the following orders relative to the regulation of gas wells in prorated gas pools be and the same are hereby superseded:

Blinebry Gas Pool	Eumont Gas Pool	Jalmat Gas Pool
R-264	R-264	R-264
R-610	R-520	R-520
R-610-A	R-520-A	R-520-A
R-610-B	R-767	R-553
	R-767-A	R-640
		R-663
		R-690

Justis Gas Pool	Tubb Gas Pool
R-586	R-264
	R-586
	R-586-B

(3) That the Special Pool Rules for the seven prorated gas pools in Northwest New Mexico, and the Special Pool Rules for the six prorated gas pools in Southeast New Mexico, be and the same are hereby consolidated as hereinafter set forth, in the following "Rules and Regulations Governing Prorated Gas Pools in New Mexico."

CASE No. 1937
Order No. R-1670

RULES AND REGULATIONS

GOVERNING

PRORATED GAS POOLS IN NEW MEXICO

* * *

Table of Contents

CASE No. 1937
Order No. R-1670

I. GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF NORTHWESTERN NEW MEXICO

(See Special Pool Rules in each pool for orders applicable to those pools only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 1: Any well drilled to the producing formation of a gas pool regulated by this order and within said pool or within one mile outside the boundary of that pool, and not nearer to nor within the boundaries of another designated pool producing from the same formation, shall be spaced, drilled, operated, and prorated in accordance with the regulations in effect in that pool.

RULE 2: Except as provided in the Special Pool Rules, after the effective date of this order each well drilled or recompleted on a standard gas proration unit within a gas pool regulated by this order shall be located at least 990 feet from the outer boundary line of the proration unit, provided however, that a tolerance of 200 feet is permissible.

RULE 3: The Secretary-Director of the Commission shall have authority to grant exception to the requirements of Rule 2 where application has been filed in due form and such exception is required because of conditions resulting from previously drilled wells in the area or the necessity for exception is based upon topographic conditions.

Applicants shall furnish all operators of leases offsetting the lease containing subject well, a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all such operators, together with a written statement that all such operators have been properly notified by registered mail. The Secretary-Director of the Commission shall wait at least 20 days before approving any such exception, and shall approve such exception only in the absence of objection of any offset operators. In the event any operator objects to the exception, the Commission shall consider the matter only after proper notice and hearing.

NOTE: Rule 3 does not apply to Blanco Mesaverde or Tapacito-Pictured Cliffs Gas Pools - See Special Pool Rules, Rule 2.

RULE 4: The provisions of Statewide Rule 104, Paragraph (k), shall not apply to the gas pools regulated by this order.

RULE 5(A): The acreage allocated to a gas well for proration purposes shall be known as the gas proration unit for that well. For the purpose of gas allocation in the gas pools regulated by this order, a standard proration unit shall consist of contiguous surface acreage and shall be substantially in the form of a square in pools having 160-acre standard proration units, and substantially in the form of a rectangle in pools having 320-acre standard proration units, and shall be a legal subdivision of the U. S. Public Land Surveys (quarter-section or half-section, as applicable). A proration unit shall be considered to be a standard gas proration unit when it meets the above requirements and consists of acreage within the appropriate tolerance set out below:

Standard Proration Unit	Acreage Tolerance for Standard Unit
160 acres	158-162 acres
320 acres	316-324 acres

Any gas proration unit containing acreage within the appropriate tolerance limit above shall be considered to contain the number of acres in a standard unit for the purpose of computing allowables.

RULE 5(B): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The proposed non-standard proration unit consists of less acreage than a standard proration unit, or where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys.

2. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.

3. The non-standard gas proration unit lies wholly within a single governmental section.

4. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the designated gas pool.

5. The applicant presents written consent in the form

of waivers from:

(a) All operators owning interests outside the non-standard gas proration unit but in the same section in which any part of the non-standard gas proration unit is situated, and

(b) All operators owning interests in acreage offsetting the non-standard gas proration unit.

6. In lieu of subparagraph 5 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. (This notification to offset operators should consist of the same information that is furnished to the Commission). The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit. (See additional requirement for West Kutz-Pictured Cliffs Gas Pool)

B. NOMINATIONS AND PRORATION SCHEDULE

RULE 6(A): At least 30 days prior to the beginning of each gas proration period, the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from each of the gas pools regulated by this order. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 6(B): The term "gas purchaser" as used in these rules shall mean any "taker" of gas either at the wellhead or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination in accordance with Rule 6(A) and Rule 7(A) of this order.

RULE 7(A): In the event a gas purchaser's market shall have increased or decreased, he may file with the Commission prior to the 10th day of the month a "Supplemental Nomination" showing the amount of gas he actually in good faith desires to purchase during the ensuing

proration month from the gas pools regulated by this order. The Commission shall hold a public hearing between the 13th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month, along with such other information as is necessary to show the allowable-production status of each well on the schedule. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

RULE 7(B): The Commission shall include in the proration schedule the gas wells in the gas pools regulated by this order delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasinably capable of handling the type of gas produced by such well.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The total allowable to be allocated to each gas pool regulated by this order each month shall be equal to the sum of the "Preliminary" or "Supplemental Nominations" (whichever is applicable) for each pool, together with any adjustment which the Commission deems advisable. A monthly allowable shall be assigned to each well entitled to an allowable in each pool by allocating the pool allowable among all such wells in accordance with the procedure set out in Rule 9(C).

RULE 8(B)1: No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed, together with a plat (C-128) showing acreage attributed to said well and the locations of all wells on the lease, and

2: Unless a deliverability test taken in conformance with the provisions of Order R-333-C and D as amended by R-333-E has been submitted, except as provided in Rule 10(C) below.

RULE 8(C): Allowables to newly completed gas wells shall commence:

1. On the date of connection to a gas transportation facility, such date to be determined from an affidavit furnished to the Commission (1000 Rio Brazos Road, Aztec, New Mexico) by the purchaser, or

2. The latest filing date of Form C-104, C-110, and C-128, or

3. A date 45 days prior to the date upon which the well's initial deliverability and shut-in pressure test is reported to the Commission on Form C-122-A in conformance with the provisions of Order R-333-C and D as amended by Order R-333-E,

whichever date is the later.

RULE 9(A): The product obtained by multiplying each well's acreage factor by the calculated deliverability (expressed as MCF per day) for that well shall be known as the AD factor for that well. The acreage factor shall be determined to the nearest hundredth of a unit by dividing the acreage within the proration unit by 160 in pools with 160 acre standard proration units and by 320 in pools with 320 acre standard gas proration units; however, the acreage tolerances provided in Rule 5(A) shall apply. The "AD Factor" shall be computed to the nearest whole unit.

RULE 9(B): The allowable to be assigned to each marginal well shall be equal to the maximum production of said well during any month of the preceding gas proration period except as provided in the Special Pool Rules.

RULE 9(C): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the following manner:

1. Seventy-five percent (75%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. Twenty-five percent (25%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's acreage factor bears to the total acreage factor for all non-marginal wells in the pool.

RULE 9(D): Annual deliverability tests taken each year shall be used in calculating allowables for wells in the gas pools regulated by this order for the twelve month period beginning February 1 of the following year.

RULE 10(A): If, during a proration month, the acreage

assigned to a well is increased, the operator shall notify the Commission in writing (1000 Rio Brazos Road, Aztec, New Mexico) of such increase by filing a revised plat (Form C-128). The increased allowable assigned the gas proration unit for the well shall be effective on the first day of the month following receipt of the notification by the Commission.

RULE 10(B): A change in a well's deliverability due to retest or test after recompletion or workover shall become effective:

1. On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operators, or

2. A date 45 days prior to the date upon which a well's initial deliverability and shut-in pressure test is reported to the Commission on Form C-122-A in conformance with the provisions of Order R-333-C and D as amended by Order R-333-E, or

3. A date 45 days prior to the receipt and approval of Form C-104 by the Commission's office (1000 Rio Brazos Road, Aztec, New Mexico); (Form C-104 shall specify the exact nature of the workover or remedial work. If the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall also be filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations);

whichever is later.

RULE 10(C): The calculated deliverability at the "deliverability pressure" shall be determined in accordance with the provisions of Order R-333-C and D, as amended by Order R-333-E.

The Secretary-Director of the Commission shall have authority to allow exceptions to the annual deliverability test requirement for marginal wells where the deliverability of a well is of such volume as to have no significance in the determination of the well's allowable. Application for such exception may be submitted in writing by the operator of the well and, if granted, may be revoked by the Secretary-Director of the Commission at any time by requesting the well to be scheduled and tested in accordance with Order R-333-C and D as amended by Order R-333-E.

RULE 11: After notice and hearing, the Commission may assign minimum allowables in order to prevent the premature abandonment of wells.

RULE 12: Except as provided in the Special Pool Rules, the full production of gas from each well, including drilling gas, shall be charged against the well's allowable regardless of the disposition of the gas; provided, however, that gas used in maintaining the producing ability of the well shall not be charged against the allowable.

D. BALANCING OF PRODUCTION

RULE 13: The dates 7:00 a.m., February 1, and 7:00 a.m., August 1, shall be known as balancing dates, and the periods of time bounded by these dates shall be known as gas proration periods.

RULE 14(A): Underproduction: Any non-marginal well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.

RULE 14(B): Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.

RULE 15(A): Overproduction: Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be made up during such succeeding period. Any well which has not made up the overproduction carried into a gas proration period by the end of such proration period shall be shut-in until such overproduction is made up.

RULE 15(B): Except as provided by the Special Pool Rules, if, at any time, a well is overproduced an amount equaling six times its current monthly allowable, it shall be shut-in during that month, and each succeeding month until the well is overproduced less than six times its current monthly allowable.

RULE 15(C): Allowable assigned to a well during any one

month of a gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been made up.

RULE 15(D): The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut-in upon a showing at public hearing after due notice that complete shut-in of the well would result in material damage to the well.

RULE 15(E): Any allowable accrued to a well at the end of a proration period due to the cancellation of underage and the redistribution thereof shall be applied against the overproduction carried into said proration period.

E. CLASSIFICATION OF WELLS

RULE 16(A): After the production data is available for the last month of each gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its allowable during at least one month of such preceding gas proration period may be classified as a marginal well, unless, prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified. However, a well which in any month of said proration period has demonstrated its ability to produce its allowable for said proration period shall not be classified as a marginal well.

(Not applicable to Tapacito - See Special Pool Rules).

RULE 16(B): The Secretary-Director may reclassify a marginal or non-marginal well at any time the well's production data, deliverability data, or other evidence as to the well's producing ability justifies such reclassification.

RULE 17: A well which is classified as a marginal well shall not be permitted to accumulate underproduction, and any underproduction accrued to a well prior to its classification as a marginal well shall be cancelled.

RULE 18: If, at the end of a proration period, a marginal well has produced more than the total allowable for the period assigned a non-marginal unit of like deliverability and acreage, the marginal well shall be reclassified as a non-marginal well and its allowable and net status adjusted accordingly.

RULE 19: A well which has been reworked or recompleted shall be classified as a non-marginal well as of the date

of reconnection to a pipeline until such time as production data, deliverability data, or other evidence as to the well's producing ability indicates that the well should be classified as a marginal well.

RULE 20: All wells not classified as marginal wells shall be classified as non-marginal wells.

F. REPORTING OF PRODUCTION

RULE 21(A): The monthly gas production from each well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 in accordance with Rule 1114 of the Commission's Rules and Regulations, so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas reported was produced. The operator shall show on such report what disposition has been made of the gas produced.

RULE 21(B): Each purchaser or taker of gas in each of the designated gas pools regulated by this order shall submit a report to the Commission, so as to reach the Commission on or before the 15th day of the month next succeeding the month in which the gas was purchased or taken.

RULE 21(C): Such report shall be filed on either Form C-111 or Form C-114 (whichever is applicable) with the wells being listed in approximately the same order as they are listed on the proration schedule.

RULE 21(D): Forms C-111 and C-114 referred to herein shall shall be submitted in triplicate, the original being sent to the Commission at Box 871, Santa Fe, New Mexico, the remaining copies being sent to 1000 Rio Brazos Road, Aztec, New Mexico and Box 2045, Hobbs, New Mexico, respectively.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the gas pools regulated by this order shall be flared or vented except as provided in the Special Pool Rules.

RULE 23: Failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Secretary-Director shall notify the operator of the well and the purchaser, in writing, of the date of allowable cancellation and the reason therefor.

RULE 24: All transporters or users of gas shall file gas well connection notices with the Commission as soon as possible after the date of connection or reconnection in accordance with the provisions of Rule 8(C) and 10(B), respectively.

(See Special Pool Rules for each pool for orders applicable to that pool only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

II. SPECIAL RULES AND REGULATIONS FOR THE AZTEC-PICTURED CLIFFS GAS POOL

(The Aztec-Pictured Cliffs Gas Pool was created March 15, 1950 and gas prorationing was instituted March 1, 1955)

A. WELL LOCATION AND ACREAGE REQUIREMENTS:

RULE 5(A): A standard gas proration unit in the Aztec-Pictured Cliffs Gas Pool shall be 160 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Aztec-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Aztec-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

III. SPECIAL RULES AND REGULATIONS FOR THE BALLARD-PICTURED CLIFFS GAS POOL

(The Ballard-Pictured Cliffs Gas Pool was created February 9, 1955 and gas prorationing was instituted October 1, 1956. The Otero-Pictured Cliffs and Canyon Largo-Pictured Cliffs Gas Pools were consolidated into the Ballard Pictured-Cliffs Gas Pool May 1, 1959. This pool also includes acreage that was formerly included in the Fulcher Kutz-Pictured Cliffs Gas Pool.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Ballard-Pictured Cliffs Gas Pool shall be 160 acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 12: Gas used on the lease shall not be charged against the allowable.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Ballard-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Ballard-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(Rule 25 does not actually appear as such in any of the existing pool rules.)

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

IV. SPECIAL RULES AND REGULATIONS FOR THE FULCHER KUTZ-PICTURED CLIFFS GAS POOL

(The Fulcher Kutz-Pictured Cliffs Gas Pool was created effective December 22, 1950 from a consolidation of the Fulcher Basin - Kutz Canyon Gas Pools. Gas prorationing was instituted March 1, 1955)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Gas Pool shall be 160 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Fulcher Kutz-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Fulcher Kutz-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

V. SPECIAL RULES AND REGULATIONS FOR THE SOUTH BLANCO-PICTURED CLIFFS GAS POOL

(The South Blanco-Pictured Cliffs Gas Pool was created May 20, 1952 and prorationing was instituted March 1, 1955.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the South Blanco-Pictured Cliffs Gas Pool shall be 160 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the South Blanco-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the South Blanco-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(Rule 25 does not actually appear as such in any of the existing pool rules.)

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VI. SPECIAL RULES AND REGULATIONS FOR THE TAPACITO-PICTURED CLIFFS GAS POOL

(The Tapacito-Pictured Cliffs Gas Pool was created April 18, 1956 and prorationing was instituted August 1, 1958.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: Wells shall be located at least 790 feet from the outer boundaries of the drilling tract and no closer than 25 feet from any quarter-quarter section line or subdivision inner boundary. The Secretary-Director shall have authority to grant exception without notice and hearing where the application has been filed in due form and where the following facts exist and the following provisions are complied with:

(A) The necessity for the unorthodox location is based on topographical conditions, and

(B) 1. The ownership of all oil and gas leases within a radius of 790 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, or

2. All owners of oil and gas leases within such radius consent in writing to the proposed location.

(C) In lieu of Paragraph (B) 2 of this Rule the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to drill an unorthodox location. The Secretary-Director of the Commission may approve the application if, after a period of twenty days following the mailing of said notice, no operator has made objection to the drilling of the unorthodox location.

RULE 5(A): A standard gas proration unit in the Tapacito-Pictured Cliffs Gas Pool shall be 160 acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 9(B): The allowable to be assigned to each marginal well shall be equal to the maximum production of said well during any month of the preceding six months.

RULE 12: Gas used on the lease shall not be charged against the allowable

D. BALANCING OF PRODUCTION

RULE 15(B): If at any time a well is overproduced in an

VI. SPECIAL RULES AND REGULATIONS FOR THE TAPACITO-PICTURED CLIFFS GAS POOL (CONT'D)

amount equalling six times its average monthly allowable for the last six months, it shall be shut-in during that month and each succeeding month until it is overproduced less than 6 times its average monthly allowable.

E. CLASSIFICATION OF WELLS

RULE 16(A): A well shall be classified as marginal if it has failed for six consecutive months to produce its average monthly allowable for the six months immediately preceding such reclassification provided such failure was not occassioned by curtailment to compensate for over-production, unless prior to such reclassification the operator or other interested party presents satisfactory evidence showing that the well should not be classified as marginal. However, a well shall not be classified as marginal if, during any one month of the six-month period, said well has demonstrated its ability to produce its six months average allowable.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Tapacito-Pictured Cliffs Pool, except that gas used for drilling purposes or for maintaining the productivity of a well, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Tapacito-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VII. SPECIAL RULES AND REGULATIONS FOR THE WEST KUTZ-PICTURED CLIFFS GAS POOL

(The West Kutz-Pictured Cliffs Gas Pool was created September 29, 1950 and prorationing was instituted March 1, 1955.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the West Kutz-Pictured Cliffs Gas Pool shall be 160 acres.

RULE 5(B): In order to qualify for exception to Rule 5(A) without notice and hearing a proposed non-standard gas proration unit in the West Kutz-Pictured Cliffs Gas Pool, in addition to the requirements of Rule 5(B) of the General Rules, may not exceed 2640 feet in length or width.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the West Kutz-Pictured Cliffs Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the West Kutz-Pictured Cliffs Gas Pool shall be the Pictured Cliffs formation.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VIII. SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL

(The Blanco Mesaverde Gas Pool was created February 25, 1949 and prorationing was instituted March 1, 1955. The Blanco-Mesaverde Gas Pool now includes acreage that was formerly included in the LaPlata Mesaverde, Northwest LaPlata Mesaverde, South LaPlata Mesaverde, and the Largo Mesaverde Gas Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: Wells shall be located 990 feet from the outer boundary of either the Northeast or Southwest quarter of the section, subject to a variation of 200 feet for topographic conditions. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily increase drilling costs.

RULE 5(A): A standard gas proration unit in the Blanco-Mesaverde Gas Pool shall be 320 acres.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the Blanco-Mesaverde Gas Pool, except that gas used for "drilling-in" purposes, shall be flared or vented unless specifically authorized by order of the Commission after notice and hearing.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The general and special rules and regulations contained in this order pertaining to the Blanco-Mesaverde Gas Pool shall be limited in their application to the present 4200-5100 foot productive horizon where the productive sands are contained between the top of the Cliff House Sand and the base of the Point Lookout Sand of the Mesaverde.

RULE 26: Surface Pipe. The surface pipe shall be set to a minimum depth of 100 feet, and where shallow potable water-bearing beds are present, the surface pipe shall be set to such shallow potable water bearing beds and a sufficient amount of cement shall be used to circulate the cement behind the pipe to the bottom of the cellar. This surface casing shall stand cemented for at least 24 hours before drilling plug or initiating tests. The surface casing shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute

VIII. SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL (CONT'D)

satisfactory proof of a water shut-off. In lieu of the foregoing test, the cement job shall be tested by building up a pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling the plug. The Commission shall be notified at least 24 hours prior to the conducting of any test.

RULE 27: Production String. The production string shall be set on top of the Cliff House Sand with a minimum of 100 sacks of cement and shall stand cemented not less than 36 hours before testing the casing. This test shall be made by building up a pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory.

RULE 28: All cementing shall be done by the pump-and-plug method. Bailing tests may be used on all casing and cement tests, and drill stem tests may be used on cement tests in lieu of pressure tests. In making bailing test, the well shall be bailed dry and remain approximately dry for thirty minutes. If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be recemented and retested or an additional string of casing should be run and cemented. If an additional string is used, the same test shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill," the number of sacks of cement to be used on each string of casing shall be stated.

RULE 29: Any completed well which produces any oil shall be tubed. This tubing shall be set as near the bottom of the hole as practicable, but in no case shall tubing perforations be more than 250 feet from the bottom. The bottom of the tubing shall be restricted to an opening of less than 1 inch or bullplugged in order to prevent the loss of pressure bombs or other measuring devices.

RULE 30: Any well which produces oil shall be equipped with a meter setting of adequate size to measure efficiently the gas, with this meter setting to be

VIII. SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL (CONT'D)

installed on the gas vent or discharge line. Wellhead equipment for all wells shall be installed and maintained in first-class condition, so that static bottom hole pressures and surface pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on the casing and also on the tubing, wherever tubing is installed. All connections subject to well pressure and all wellhead fittings shall be of first-class material, rated at 2,000 psi working pressure and maintained in gas-tight condition. There shall be at least one valve on each bradenhead. Operators shall be responsible for maintaining all equipment in first-class condition and shall repair or replace equipment where gas leakage occurs.

RULE 31: Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first-class condition and properly installed.

RULE 32: Wells shall not be shot or chemically treated until the permission of the Commission is obtained. Each well shall be shot or treated in such a manner as will not cause injury to the sand or result in water entering the oil or gas sand, and necessary precautions shall be taken to prevent injury to the casing. If shooting or chemical treatment results in irreparable injury to the well or to the oil or gas sand, the well shall be properly plugged and abandoned.

RULE 33: Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches, or otherwise wasted. It may be used for lease and development purposes and for the development of nearby leases, except as prohibited above. Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

I. GENERAL RULES AND REGULATIONS FOR THE PRORATED GAS POOLS OF SOUTHEASTERN NEW MEXICO

(See Special Pool Rules in each pool for orders applicable to those pools only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 1: Any well drilled to the producing formation of a gas pool regulated by this order and within said pool or within one mile outside the boundary of that pool, and not nearer to nor within the boundaries of another designated pool producing the same formation, shall be spaced, drilled, operated, and prorated in accordance with the regulations in effect in that pool.

RULE 2: After the effective date of this order each well drilled or recompleted on a standard gas proration unit within a gas pool regulated by this order shall be located not closer than 330 feet to a quarter-quarter section line or subdivision inner boundary line and not closer to the outer boundary line than the footages set out in the table immediately below:

Standard Proration Unit	Footage From Unit Outer Boundary
160 acres	660 feet
320 acres	660 feet
640 acres	1,980 feet

RULE 3: The Secretary-Director of the Commission shall have authority to grant exception to the requirements of Rule 2 without notice and hearing where the application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The necessity for the unorthodox location is based on topographical conditions, or is occasioned by the recompletion of a well previously drilled to another horizon.

2. (a) The ownership of all oil and gas leases within a radius of 1,980 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, or

(b) All owners of oil and gas leases within

such radius consent in writing to the proposed location.

(c) In lieu of Paragraph 2(b) of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his Application for Approval of an Unorthodox Location. (This information to offset operators should consist of the same information that is furnished to the Commission.) The Secretary-Director of the Commission may approve the application, if, after a period of at least 20 days following the mailing of said notice, no operator has made objection to the drilling of the unorthodox location. In the event an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 4: The provisions of Statewide Rule 104, Paragraph (k), shall not apply to the gas pools regulated by this order.

RULE 5(A): The acreage allocated to a gas well for proration purposes shall be known as the gas proration unit for that well. For the purpose of gas allocation in the gas pools regulated by this order, a standard proration unit shall consist of contiguous surface acreage and shall be substantially in the form of a square in pools having 160-acre or 640-acre standard proration units, and substantially in the form of a rectangle in pools having 320-acre standard proration units, and shall be a legal subdivision of the U. S. Public Land Surveys (quarter-section, section, or half-section, as applicable). A proration unit shall be considered to be a standard gas proration unit when it meets the above requirements and and consists of acreage within the appropriate tolerance set out below:

Standard Proration Unit	Acreage Tolerance For Standard Unit
160 acres	158-162 acres
320 acres	316-324 acres
640 acres	632-648 acres

Any gas proration unit containing acreage within the appropriate tolerance limit above shall be considered to contain the number of acres in a standard unit for the purpose of computing allowables.

RULE 5(B): In establishing a non-standard gas proration

unit for gas pools regulated by this order where the standard gas proration unit is 640 acres, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

Location	Maximum Acreage
660-660	160 acres
660-1980	320 acres

RULE 5(C): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The proposed non-standard proration unit consists of less acreage than a standard proration unit, or where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys.

2. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.

3. The non-standard gas proration unit lies wholly within a single governmental quarter section in pools with 160-acre standard proration units except the Tubb Gas Pool, and within a single governmental section in the Tubb Gas Pool and in all pools with 320-acre or 640-acre standard proration units.

4. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the applicable gas pool.

5. The length or width of the non-standard gas proration unit does not exceed 2,640 feet in pools with 160-acre standard proration units, and does not exceed 5,280 feet in pools with 320-acre or 640-acre standard proration units.

6. The applicant presents written consent in the form of waivers from:

   (a) All operators owning interests outside the non-standard gas proration unit but in the same quarter section in pools having 160-acre standard proration units or in the same section in pools having 320-acre or 640-acre standard proration units, in which any part of the non-standard gas proration unit is situated, and

(b) All operators owning interests within 1,500 feet of the well to which such non-standard gas proration unit is proposed to be dedicated.

7. In lieu of subparagraph 6 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. (This notification to offset operators should consist of the same information that is furnished to the Commission.) The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit.

B. NOMINATIONS AND PRORATION SCHEDULE

RULE 6(A): At least 30 days prior to the beginning of each gas proration period, the Commission shall hold a hearing after due notice has been given. The Commission shall cause to be submitted by each gas purchaser its "Preliminary Nominations" of the amount of gas which each in good faith actually desires to purchase within the ensuing proration period, by months, from each of the gas pools regulated by this order. The Commission shall consider the "Preliminary Nominations" of purchasers, actual production, and such other factors as may be deemed applicable in determining the amount of gas that may be produced without waste within the ensuing proration period. "Preliminary Nominations" shall be submitted on a form prescribed by the Commission.

RULE 6(B): The term "gas purchaser" as used in these rules shall mean any "taker" of gas either at the well-head or at any point on the lease where connection is made for gas transportation or utilization. It shall be the responsibility of said "taker" to submit a nomination in accordance with Rule 6(A) and Rule 7 (A) of this order.

RULE 7(A): In the event a gas purchaser's market shall have increased or decreased, he may file with the Commission prior to the 10th day of the month a "Supplemental Nomination" showing the amount of gas he actually in good faith desires to purchase during the ensuing proration month from any gas pool regulated by this order. The Commission shall hold a public hearing between the 13th and 20th days of each month to determine the reasonable market demand for gas for the ensuing proration month, and shall issue a proration schedule setting out the amount of gas which each well may produce during the ensuing proration month along with such other

information as is necessary to show the allowable-production status of each well on the schedule. "Supplemental Nominations" shall be submitted on a form prescribed by the Commission.

RULE 7(B): The Commission shall include in the proration schedule the gas wells in the gas pools regulated by this order delivering to a gas transportation facility, or lease gathering system, and shall include in the proration schedule any well which it finds is being unreasonably discriminated against through denial of access to a gas transportation facility, which is reasonably capable of handling the type of gas produced by such well.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The total allowable to be allocated to each gas pool regulated by this order each month shall be equal to the sum of the "Preliminary" or "Supplemental Nominations" (whichever is applicable) for each pool, together with any adjustment which the Commission deems advisable. A monthly allowable shall be assigned to each well entitled to an allowable by allocating the pool allowable among all such wells in that pool in accordance with the procedure set out in the Special Pool Rules.

RULE 8(B): Allowables to newly completed gas wells shall commence in accordance with the provisions of the Special Pool Rules. No gas well shall be given an allowable until Form C-104 and Form C-110 have been filed, together with a plat (Form C-128) showing acreage attributed to said well and the location of all wells on the lease.

RULE 9(A): A well's "Acreage Factor" shall be determined to the nearest hundredth of a unit by dividing the acreage assigned to the well by 160 acres. However, the acreage tolerances provided in Rule 5(A) shall apply.

RULE 9(B): If, during a proration month, the acreage assigned to a well is increased, the operator shall notify the Commission in writing (Box 2045, Hobbs, New Mexico) of such increase by filing a revised plat (Form C-128). The increased allowable assigned the gas proration unit for the well shall be effective on the first day of the month following receipt of the notification by the Commission.

RULE 10(A): A marginal well shall be assigned an allowable equal to its maximum production during any month of the preceding gas proration period.

RULE 10(B): The pool allowable remaining after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in such pool as provided for in the Special Pool Rules.

RULE 11: After notice and hearing, the Commission may assign minimum allowables in order to prevent the premature abandonment of wells.

RULE 12: The full production of gas from each well shall be charged against the well's allowable regardless of what disposition has been made of the gas; provided, however, that gas used on the lease for consumption in lease houses, treaters, compressors, combustion engines and other similar lease equipment shall not be charged against the well's allowable.

D. BALANCING OF PRODUCTION

RULE 13: The dates 7:00 a.m., January 1, and 7:00 a.m., July 1, shall be known as balancing dates, and the periods of time bounded by these dates shall be known as gas proration periods.

RULE 14(A): Underproduction: Any non-marginal well which has an underproduced status as of the end of a gas proration period shall be allowed to carry such underproduction forward into the next gas proration period and may produce such underproduction in addition to the allowable assigned during such succeeding period. Any allowable carried forward into a gas proration period and remaining unproduced at the end of such gas proration period shall be cancelled.

RULE 14(B): Production during any one month of a gas proration period in excess of the allowable assigned to a well for such month shall be applied against the underproduction carried into such period in determining the amount of allowable, if any, to be cancelled.

RULE 15(A): Overproduction: Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be made up during such succeeding period. Any well which has not made up the overproduction carried into a gas proration period by the end of such proration period shall be shut-in until such overproduction is made up. If, at any time, a well is overproduced an amount equalling six times

its current monthly allowable, it shall be shut-in during that month, and each succeeding month until the well is overproduced less than six times its current monthly allowable.

RULE 15(B): Allowable assigned to a well during any one month of a gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been made up.

RULE 15(C): The Commission may allow overproduction to be made up at a lesser rate than would be the case if the well were completely shut-in upon a showing at public hearing after due notice that complete shut-in of the well would result in material damage to the well.

RULE 15(D): Any allowable accrued to a well at the end of a proration period due to the cancellation of underage and the redistribution thereof shall be applied against the overproduction carried into said proration period.

E. CLASSIFICATION OF WELLS

RULE 16(A): After the production data is available for the last month of each gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its allowable during at least one month of such preceding gas proration period may be classified as a marginal well, unless, prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified. However, a well which in any month of said proration period has demonstrated its ability to produce its allowable for said proration period shall not be classified as a marginal well.

RULE 16(B): The Secretary-Director may reclassify a marginal or non-marginal well at any time the well's production data, deliverability data, or other evidence as to the well's producing ability justifies such reclassification.

RULE 17: A well which is classified as a marginal well shall not be permitted to accumulate underproduction, and any underproduction accrued to a well prior to its classification as a marginal well shall be cancelled.

RULE 18: If, at the end of a proration period, a marginal well has produced more than the total allowable assigned a non-marginal unit of corresponding size, for that period, the marginal well shall be reclassified as a non-marginal well and its allowable and net status adjusted accordingly.

RULE 19: A well which has been reworked or recompleted shall be classified as a non-marginal well as of the date of reconnection to a pipeline until such time as production data, deliverability data, or other evidence as to the well's producing ability indicates that the well should be classified as a marginal well.

RULE 20: All wells not classified as marginal wells shall be classified as non-marginal wells.

F. REPORTING OF PRODUCTION

RULE 21(A): The monthly gas production from each well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 in accordance with Rule 1114 of the Commission Rules and Regulations, so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the gas produced.

RULE 21(B): Each purchaser or taker of gas in each of the designated gas pools regulated by this order shall submit a report to the Commission so as to reach the Commission on or before the 15th day of the month next succeeding the month in which the gas was purchased or taken.

RULE 21(C): Such report shall be filed on either Form C-111 or Form C-114 (whichever is applicable) with the wells being listed in approximately the same order as they are listed on the proration schedule.

RULE 21(D): Forms C-111 and C-114 referred to herein shall be submitted in duplicate, the original being sent to the Commission at Box 871, Santa Fe, New Mexico, the other copy being sent to Box 2045, Hobbs, New Mexico.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, produced from the gas pools regulated by this order shall be flared or vented except as provided in the Special Pool Rules.

RULE 23: Failure to comply with the provisions of this order or the rules contained herein shall result in the cancellation of allowable assigned to the affected well. No further allowable shall be assigned to the affected well until all rules and regulations are complied with. The Proration Manager shall notify the operator of the well and the purchaser, in writing, of the date of allowable cancellation and the reason therefor.

RULE 24: All transporters or users of gas shall file gas well connection notices with the Commission as soon as possible after the date of connection, in accordance with the provisions of Rule 8(B) of the Special Pool Rules. (Rule 24 does not actually appear in pool rules, but is Commission policy and added for information and clarification.)

(See Special Pool Rules for each pool for orders applicable to that pool only. Special Pool Rules will be found in the same classification order as in the General section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL

(The Blinebry Gas Pool was created February 17, 1953, and prorationing was instituted January 1, 1954.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Blinebry Gas Pool shall be 160 acres.

(Also see Rule 29 below.)

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104 and C-110 and a plat (Form C-128), whichever date is the later.

(Also see Rule 29 below.)

RULE 12: The production of intermediate or low pressure gas derived from the staging of the well fluids need not be charged against the well's gas allowable, provided that the said intermediate or low pressure gas is utilized in accordance with the provisions of Rule 34 below.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, shall be flared, vented or otherwise wasted in the Blinebry Gas Pool at any time after ninety (90) days from the date of completion of a well in said pool.

Any operator desiring to obtain an exception to the foregoing provision of this rule shall submit to the Secretary-Director of the Commission an application for such exception accompanied by a sworn statement setting forth the facts and circumstances which justify such exception. The Secretary-Director is hereby authorized to grant such exception when the granting of such is necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant. The

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

Secretary-Director shall (a) grant the exception within 15 days following receipt of the application and statement, or (b) set the application for hearing before the Commission at a regularly scheduled monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Public notice of the hearing of the application shall be published in the manner provided by law.

Should the Secretary-Director grant an exception to the provision of Rule 22, notification of such exception shall be distributed to the Commission's regular mailing list.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Blinebry Gas Pool shall extend from a point 75 feet above the "Blinebry Marker" to a point 300 feet below the "Blinebry Marker."

The "Blinebry Marker" shall be that point encountered in the Humble Oil and Refining Company State "S" Well No. 20, SW/4 NW/4 of Section 2, Township 22 South, Range 37 East, NMPM, at a depth of 5457 feet (Elevation 3380, Subsea Datum Minus 2077).

RULE 26: Any well drilled and completed in good faith prior to April 11, 1955, which well is situated within the horizontal boundaries of the Blinebry Gas Pool as herein defined, but which produces gas from a depth interval exceeding the vertical limits of the Blinebry Gas Pool as herein defined, is hereby validated and shall be classified as a gas well in the Blinebry Gas Pool, provided that said well conforms to the definition of a gas well in said pool as set out in Rule 27(A) of these rules, and provided that the well is classified as a gas well in the Blinebry Gas Pool under the rules, regulations and orders in effect on April 10, 1955.

RULE 27(A): A gas well in the Blinebry Gas Pool shall mean a well producing from within the vertical and horizontal limits of the Blinebry Gas Pool which:

1. Produces liquid hydrocarbons possessing a gravity of 51° API or greater, or

2. Produces liquid hydrocarbons possessing a

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

gravity of less than 51° API but with a producing gas-liquid ratio of 32,000 cubic feet of gas or more per barrel of liquid hydrocarbon.

RULE 27(B): A well producing from within the horizontal and vertical limits of the Blinebry Gas Pool and not classified as a gas well, as defined in Section (A) of this rule, shall be classified as an oil well in the Blinebry Oil Pool.

RULE 28: The Proration Manager may reclassify a well under Rule 27 if production data, gas-oil ratio tests or other evidence reflects the need for such reclassification.

For proration purposes, the effective date of such reclassification shall be the first day of the next succeeding month.

The Proration Manager will notify the operator of the reclassified well of such reclassification and the effective date thereof; provided, however, that operator may appeal such reclassification to the Secretary-Director of the Commission in writing.

RULE 29: In the event an oil well in the Blinebry Oil Pool is reclassified as a gas well in the Blinebry Gas Pool, the operator of such well will be afforded the opportunity to form a non-standard gas proration unit for the well; provided, however, that, until such unit is formed, such well shall be allocated a gas allowable commensurate with the acreage contained in the unit formerly dedicated to the oil well in the Blinebry Oil Pool.

In the event such reclassification should cause the occurrence of two gas wells producing from the Blinebry Gas Pool within a single proration unit, the sum total of the allowables allocated to the two wells shall be equivalent to the volume of gas allocated to a single proration unit; provided, however, that the operator of such wells shall have the option to determine the proportion of the assigned allowable to be produced by each individual well.

RULE 30: Acreage dedicated to a gas well in the Blinebry Gas Pool shall not be simultaneously dedicated to an oil well in the Blinebry Oil Pool, and the dual completion of a well so as to produce gas from the Blinebry Gas Pool and oil from the Blinebry Oil Pool is hereby prohibited.

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

RULE 31: At no time will the horizontal boundaries of the Blinebry Gas Pool conflict with or overlap the horizontal boundaries of the Terry-Blinebry Oil Pool.

RULE 32: Gas-liquid ratio tests and determination of the gravity of that liquid hydrocarbon recovered from wells in the Blinebry Gas Pool shall be conducted semiannually during the months of May and October on all wells located in and producing from the Blinebry Gas Pool. Results of such tests will be reported to the Commission on Form C-116 on or before the 15th day of June and the 15th day of November of each calendar year.

RULE 33: Bottom-hole pressure tests will be conducted semiannually during the months of May and October on all gas wells located to the north of an east-west line coinciding with the north lines of Sections 21, 22, 23 and 24, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, such wells to be producing from within the vertical and horizontal boundaries of the Blinebry Gas Pool and classified as gas wells under the rules contained in this order. Results of such tests will be reported to the Commission on Form C-124 on or before the 25th day of June and the 25th day of November of each calendar year.

All bottom-hole pressure tests, except tests on dually completed wells producing from the Blinebry Gas Pool, will be conducted in accordance with Rule 302 of the Rules of the Commission. Shut-in period will be 48 hours, datum elevation will be 2400 feet subsea, (-2400), and base temperature will be 100° Fahrenheit.

Bottom-hole pressures on dually completed wells producing gas from the Blinebry Gas Pool may be calculated from a 72-hour shut-in pressure at the wellhead, provided that an accurate determination of the fluid level in the hole is made employing sonic or other methods of equivalent accuracy. The gravity of the fluid in the hole shall be that gravity determined by averaging the gravities of those fluids produced on official test in the Blinebry Gas Pool during the regular semiannual gas-liquid ratio and gravity testing period next preceding the subject bottom-hole pressure test period. The gravity to be employed in the calculation of bottom-hole pressures during a particular testing period shall be determined by the Commission. All interested operators shall be duly notified of such determination by the Commission.

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

RULE 34: The following shall apply to all producing wells in the Blinebry Gas Pool:

(A) Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.

(B) The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a low-pressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Blinebry or Tubb Gas Pools following its separation from the high-pressure gas in the high-pressure separator, provided gas-distillate test facilities are available and periodic tests are made.

Following the separation of distillate and low-pressure gas in the low-pressure separator, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from other low-pressure gas produced on the lease, provided that certain test facilities are available and certain periodic tests made.

(C) Each year during the months of June and July each operator of each gas well producing from the Blinebry Gas Pool shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs, New Mexico) on or before August 15 following the test. The test shall outline the amount of high-pressure gas produced during the 24-hour test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio.

Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

(D) In submitting Form C-115 (Operator's Monthly Report) on wells producing from the Blinebry zone in which distillate is commingled and/or the low-

CASE No. 1937
Order No. R-1670

II. SPECIAL RULES AND REGULATIONS FOR THE BLINEBRY GAS POOL (CONT'D)

pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volume produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.

(E) The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Sections (A) through (D) of this rule, inclusive, where it can be shown that compliance with these rules is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

III. SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL

(The Crosby-Devonian Gas Pool was created May 27, 1955, and gas prorationing was instituted April 1, 1957.)

A. WELL LOCATION AND SPACING REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Crosby-Devonian Gas Pool shall be 160 acres. (Note: The General Rules regarding administrative approval of non-standard units do not apply to the Crosby-Devonian Gas Pool.)

C. ALLOCATION AND GRANTING OF ALLOWABIES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and Form C-128 or the approval of a non-standard proration unit or filing of an affidavit of communitization, whichever date is the later.

RULE 8(C): The allowable revision for a well after workover or recompletion shall become effective:

(a) On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operators, or

(b) A date 15 days prior to the approval of Form C-104 by the Commission's office, (Box 2045, Hobbs, New Mexico); (Form C-104 shall specify the exact nature of the workover or remedial work; if the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall be also filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations.)

whichever date is later.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Crosby-Devonian Gas

III. SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL (CONT'D)

Pool shall include all the formations that can reasonably be considered to be of Devonian age.

RULE 26: Gas-liquid ratio tests shall be taken in accordance with the provisions of Rule 301 of the Commission Rules and Regulations as scheduled by the Commission.

RULE 27: The casing program for the field shall include three strings of casing set in accordance with the following plan:

(A) The surface string shall be new or reconditioned pipe with a mill test of not less than two thousand (2,000) pounds per square inch and shall be set and cemented at a depth of approximately five hundred (500) feet, such depth being sufficient to protect the fresh water bearing sands of the Santa Rosa formation.

Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the annular space back of the pipe to the surface of the ground or the bottom of the cellar. Cement shall stand a minimum of sixteen (16) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating pressure tests. Before drilling the plug, this string shall be tested by the application of at least one thousand (1,000) pounds per square inch and, if at the end of thirty (30) minutes the pressure shows a drop of one hundred fifty (150) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(B) The intermediate string shall consist of new or reconditioned pipe that has been tested to two thousand (2,000) pounds per square inch and shall be set at approximately thirty-six hundred (3,600) feet. Cementing shall be by the pump-and-plug method, and sufficient cement shall be used to fill the calculated annular space back of the pipe to a point one hundred (100) feet above the top of the Salado formation. The cement shall stand a minimum of twenty-four (24) hours under pressure and a total of thirty (30) hours before drilling plug or initiating tests. Casing shall be tested by the application of at least twelve hundred (1,200) pounds per square inch pump pressure. If, at the end of thirty (30) minutes, the pump pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken,

III. SPECIAL RULES AND REGULATIONS FOR THE CROSBY-DEVONIAN GAS POOL (CONT'D)

the pipe shall again be tested in the same manner.

(C) The producing or oil string shall be new or reconditioned casing that has been tested to four thousand (4,000) pounds per square inch and shall be set at a depth not less than the top of the Devonian formation. Cementing shall be with a minimum of three hundred fifty (350) sacks of cement applied by the pump-and-plug method and shall stand a minimum of twenty-four (24) hours under pressure and a total of forty-eight (48) hours before drilling the plug or initiating tests. After cementing, the casing shall be tested by pump pressure of at least thirty (30) minutes. If, at the end of 30 minutes the pressure shows a drop of one hundred (100) pounds per square inch or more, the cementing job shall be condemned. After corrective measures have been taken, the pipe shall again be tested in the same manner.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

IV. SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL

(The Eumont Gas Pool was created February 17, 1953, and proration was instituted January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Eumont Gas Pool shall be 640 acres.

RULE 5(B): Any well drilled to and producing from the Eumont Gas Pool, as defined herein, prior to August 12, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110, and a plat (Form C-128), whichever date is the later.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, shall be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either (a) grant

IV. SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL (CONT'D)

the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A): Within 15 days after any oil or gas well within the boundaries of the Eumont Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B): No extraction plant processing any gas from the Eumont Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers and Queen formations.

RULE 26(A): A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B): A well producing from the Eumont Gas Pool and not classified as a gas well, as defined in Section (A) of this rule, shall be classified as an oil well.

RULE 26(C): Oil wells producing from the Eumont Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such well shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Statewide Rule 505.

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL

(The Jalmat Gas Pool was created effective September 1, 1954 from a consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. Gas prorationing was instituted in Jalco and Langmat January 1, 1954 and was continued after consolidation to form the Jalmat Gas Pool. The Jalmat Gas Pool now includes acreage that was formerly included in the Jal, Cooper-Jal, Eaves, Falby-Yates, Jalco, and Langmat Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Jalmat Gas Pool shall be 640 acres.

RULE 5(B): Any well drilled to and producing from the Jalmat Gas Pool, as defined herein, prior to September 1, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): 1. The pool allowable remaining after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells in the pool as follows:

(a) Twenty-five percent (25%) of the remaining pool allowable shall be allocated among the non-marginal wells in the pool in the proportion that each well's "Acreage Factor" bears to the total "Acreage Factor" for all non-marginal wells in the pool.

(b) Seventy-five percent (75%) of the remaining pool allowable shall be allocated among the non-marginal wells in the pool in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. A well's "AD Factor" shall be determined by multiplying the well's "Acreage Factor" by its "Calculated Deliverability" (expressed in MCF per day). The "AD Factor" shall be computed to the nearest whole unit. In those instances where there is more than one well on a proration unit, the "Calculated Deliverability" for the unit shall be determined by averaging the "Calculated Deliverabilities" of all the wells on the unit.

3. Annual deliverability tests shall be taken on all gas wells in the Jalmat Gas Pool in a manner and at

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

such time as the Commission may prescribe. The results of such tests shall determine a well's "Calculated Deliverability". The annual deliverability tests taken each year shall be used in calculating allowables for wells in the Jalmat Gas Pool for the succeeding twelve month period beginning July 1 of that year.

4. No well shall be assigned an allowable until a deliverability test has been filed with the Commission and approved.

5. The Secretary-Director of the Commission shall have authority to exempt marginal wells from the requirement of taking an annual deliverability test in those instances where the deliverability of the well is of such low volume as to have no significance in the determination of the well's allowable.

RULE 8(B): Allowables to newly completed gas wells shall commence:

1. On the date of connection to a gas transportation facility, such date to be determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser;

2. The latest filing date of Form C-104, C-110 or C-128; or

3. A date 45 days prior to the date upon which the well's deliverability and shut-in pressure test is reported to the Commission on Form C-122-C;

whichever date is later.

RULE 8(C): Retests and tests taken after recompletion or workover shall be taken in the same manner as provided in Rule 8(A) 3 above, and any change in the well's "Calculated Deliverability" resulting therefrom shall become effective:

1. On the date of reconnection after workover, such date to be determined from Form C-104 as filed by the operator; or

2. A date 45 days prior to the date upon which a well's deliverability and shut-in pressure test is reported to the Commission on Form C-122-C; or

3. A date 45 days prior to the receipt and approval of Form C-104 by the Commission Office (Box

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

2045, Hobbs, New Mexico). (Form C-104 shall specify the exact nature of the workover or remedial work. If the nature of the work cannot be explained on Form C-104, in that event, Form C-103 shall also be filed in accordance with Rule 1106 of the Commission's Statewide Rules and Regulations. Form C-128 (Well Location and Acreage Dedication Plat) shall be submitted by the operator at any time there is a change in the acreage dedicated to said well.),

whichever date is later.

G. GENERAL

RULE 22: No gas, either dry gas or casinghead gas, shall be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardship on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either (a) grant the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A): Within 15 days after any oil or gas well within the boundaries of the Jalmat Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B): No extraction plant processing any gas from

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

the Jalmat Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25(A): The vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation, except,

RULE 25(B): In the area described immediately below, the vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 250 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 13: SE/4 NE/4, SE/4
Section 23: E/2 E/2
Section 24: All
Section 25: N/2
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 18: SW/4 NW/4, W/2 SW/4
Section 19: W/2
Section 30: NW/4

RULE 26(A): A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B): A well producing from the Jalmat Gas Pool and not classified as a gas well shall be classified as an oil well.

RULE 26(C): Oil wells producing from the Jalmat Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such wells shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Rule 505.

RULE 27: That portion of the Rhodes Storage Area lying within the defined limits of the Jalmat Gas Pool shall be exempted from the applicable provisions of the Jalmat Gas Pool Rules. The Rhodes Storage Area shall include the

V. SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL (CONT'D)

following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 4: W/2 NW/4, SE/4 SE/4, W/2 SE/4, SW/4
Section 5: All
Section 6: NE/4 NW/4, NE/4, SE/4 SE/4, N/2 SE/4
Section 7: NE/4 NE/4
Section 8: N/2, N/2 S/2, SE/4 SW/4, S/2 SE/4
Section 9: All
Section 10: W/2 NW/4, SE/4 NW/4, S/2
Sections 15 and 16: All
Section 17: E/2 NW/4, E/2
Sections 21 and 22: All
Section 23: SW/4 NW/4, SW/4
Sections 26, 27, and 28: All
Section 29: E/2 NE/4

VI. SPECIAL RULES AND REGULATIONS FOR THE JUSTIS GAS POOL

(The Justis Gas Pool was created January 1, 1950, and gas proration was instituted January 1, 1954. The standard proration unit was changed from 160 acres to 320 acres October 3, 1957.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Justis Gas Pool shall be 320 acres.

C. ALLOCATION AND GRANTING ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the Pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and a plat (Form C-128), or the date of application for a non-standard gas proration unit as provided in Rule 5-C, of the General Rules.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25(A): The vertical limits of the Justis Gas Pool shall be defined as follows:

> From the top of the Glorieta formation, found at a depth of 4599 feet (Elevation 3080, Subsea Datum - 1519) in the Gulf Oil Corporation McBuffington Well No. 8, located 350 feet from the South line and 1980 feet from the West line of Section 13, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to a point 40 feet above the marker encountered at 4879 feet (Subsea Datum - 1799) in said McBuffington Well No. 8.

RULE 25(B): The Hamilton Dome Westates Carlson Federal "A" Well No. 1, located in the NW/4 of Section 25, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, as the completion existed on April 22, 1959, shall be considered to be completed within the vertical limits of the Justis Gas Pool.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

VII. SPECIAL RULES AND REGULATIONS FOR THE TUBB GAS POOL

(The Tubb Gas Pool was created February 17, 1953, and proration was instituted January 1, 1954.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Tubb Gas Pool shall be 160 acres.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factor for all non-marginal wells in the pool.

RULE 8(B): Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing of Form C-104, Form C-110 and the plat (Form C-128), or the date of application for a non-standard gas proration unit as provided in Rule 5(C) of the General Rules, whichever date is the later.

RULE 12: The production of intermediate or low pressure gas derived from the staging of the well fluids need not be charged against the well's gas allowable, provided that the said intermediate or low pressure gas is utilized in accordance with the provisions of Rule 27 below.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Tubb Gas Pool shall extend from a point 100 feet above the "Tubb Marker" to a point 225 feet below the "Tubb Marker". Said "Tubb Marker" shall be that point encountered in the Humble Oil and Regining Company State "S" Well No. 20 at a depth of 5921 feet (Elevation 3380, Subsea Datum Minus 2541).

RULE 26(A): An oil well in the Tubb Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 45° API or less.

RULE 26(B): An oil well in the Tubb Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section legal subdivision of the United States Public Land Surveys.

VII. SPECIAL RULES AND REGULATIONS FOR THE TUBB GAS POOL (CONT'D)

RULE 26(C): No acreage shall be simultaneously dedicated to an oil well and to a gas well in the Tubb Gas Pool.

RULE 26(D): The limiting gas-oil ratio for oil wells in the Tubb Gas Pool shall be 2000 cubic feet of gas for each barrel of oil produced.

RULE 27: The following shall apply to all producing wells in the Tubb Gas Pool:

(A) Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.

(B) The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a low-pressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Tubb or Blinebry Gas Pools following its separation from the high-pressure gas in the high-pressure separator, provided gas-distillate test facilities are available and periodic tests are made.

Following the separation of distillate and low-pressure gas in the low-pressure separator, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from other low-pressure gas produced on the lease, provided that certain test facilities are available and certain periodic tests made.

(C) Each year during the months of June and July each operator of each gas well producing from the Tubb Gas Pool shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs New Mexico) on or before August 15 following the test. The test shall outline the amount of high-pressure gas produced during the 24-hour test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio. Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

(D) In submitting Form C-115 (Operator's Monthly

VII. SPECIAL RULES AND REGULATIONS FOR THE TUBB GAS POOL (CONT'D)

Report) on wells producing from the Tubb zone in which distillate is commingled and/or the low-pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volumes produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.

(E) The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Sections (A) through (D) of this rule, inclusive, where it can be shown that compliance with these rules is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.

(General Pool Rules also apply unless in conflict with these Special Pool Rules)

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-1670-C.

A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2095
Order No. R-1670-C

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER PRORATING THE GAS PRODUCTION
FROM THE DAKOTA PRODUCING INTERVAL,
SAN JUAN AND RIO ARRIBA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1960, at Farmington, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of November, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order Nos. R-1287 and R-1287-A, the Commission created and defined the Dakota (gas) Producing Interval, San Juan and Rio Arriba Counties, New Mexico.

(3) That the producing capacity of the wells in the Dakota Producing Interval is in excess of the market demand for gas from said common source of supply, and that for the purpose of preventing waste and protecting correlative rights, appropriate procedures should be adopted to provide a method of allocating gas among proration units in the area encompassed by the Dakota Producing Interval, commencing February 1, 1961.

(4) That since the evidence presented established that there is a general correlation between the deliverabilities of the gas wells in the Dakota Producing Interval and the recoverable gas in place under the tracts dedicated to the wells, the gas allocation formula for the pool should be based on seventy-five (75) percent acreage times deliverability plus twenty-five (25) percent acreage. Such a formula will protect correlative rights and will, insofar as

is practicable, prevent drainage between producing tracts which is not equalized by counter-drainage.

(5) That after three (3) months production history under the allocation formula mentioned above, a hearing should be called to determine whether a minimum and maximum per well allowable is necessary to protect correlative rights and prevent waste.

(6) That the provisions set forth in Order No. R-1287 and Order No. R-1287-A relative to acreage dedication, well location requirements, and vertical and horizontal limits should be incorporated in this order.

(7) That the common source of supply presently classified and defined as the Dakota Producing Interval should henceforth be denominated the Basin-Dakota Gas Pool.

(8) That special rules and regulations governing the drilling, spacing and proration of wells in said Basin-Dakota Gas Pool should be promulgated.

IT IS THEREFORE ORDERED:

(1) That Order Nos. R-1287 and R-1287-A be and the same are hereby superseded.

(2) That the following Dakota gas pools be and the same are hereby abolished:

Angels Peak-Dakota
Blanco-Dakota
South Blanco-Dakota
West Blanco-Dakota
Companero-Dakota
East Companero-Dakota
Huerfanito-Dakota
Huerfano-Dakota
West Kutz-Dakota
Largo-Dakota
North Los Pinos-Dakota
South Los Pinos-Dakota
Otero-Dakota

(3) That a new gas pool for Dakota production be and the same is hereby created and designated as the Basin-Dakota Gas Pool with the vertical and horizontal limits as shown in Rule 25 below, and which shall be prorated commencing February 1, 1961.

(4) That the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670, shall apply to the Basin-Dakota Gas Pool, unless in conflict with the

Special Rules and Regulations for the Basin-Dakota Gas Pool hereinafter set forth, in which event the Special Rules shall apply.

(5) That Special Rules and Regulations for the Basin-Dakota Gas Pool be and the same are hereby promulgated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE BASIN-DAKOTA GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2: That all wells drilled to or completed in the Basin-Dakota Gas Pool shall be located no nearer than 790 feet to the boundary line of the proration unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line.

In the event any such well is completed as an oil well at a location nearer than 330 feet to a governmental quarter-quarter section line, said well shall not be produced unless and until such time as the unorthodox oil well location has been approved by the Commission after notice and hearing.

RULE 3: The Secretary-Director of the Commission shall have authority to grant an exception to Rule 2 without notice and hearing where an application therefor has been filed in due form and the Secretary-Director determines that good cause exists for granting such exception.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all such operators, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary-Director of the Commission shall wait at least 20 days before approving any such unorthodox location, and may approve such unorthodox location only in the absence of objection from any offset operator or any operator within the section in which the well is located. In the event such an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 5(A): A standard gas proration unit in the Basin-Dakota Gas Pool shall be 320 acres.

RULE 5(B): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 5(A) without notice and hearing where an application has been filed in due form and

where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

1. The non-standard unit consists of contiguous quarter-quarter sections or lots.

2. The non-standard unit lies wholly within a single governmental section.

3. The entire non-standard unit may reasonably be presumed to be productive of gas.

4. The length or width of the non-standard unit does not exceed 5280 feet.

5. That applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

6. In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director of the Commission may approve the application, if, after a period of 30 days following the mailing of said notice, no such operator has made objection to the formation of such non-standard unit.

E. CLASSIFICATION OF WELLS

RULE 16(A): After the production data is available for the last month of each gas proration period, any well which had an underproduced status at the beginning of the preceding gas proration period and which did not produce its average allowable during the preceding six-month gas proration period may be classified as a marginal well, unless, prior to the end of said preceding gas proration period, the operator or other interested party presents satisfactory evidence to the Commission showing that the well should not be so classified.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The vertical limits of the Basin-Dakota Gas Pool shall be from the base of the Greenhorn Limestone to a point 400 feet below the base of said formation and consisting of the Graneros formation, the Dakota formation and the productive upper portion of the Morrison formation.

The horizontal limits of the Basin-Dakota Gas Pool shall be San Juan and Rio Arriba Counties, New Mexico, with the exception of the Barker-Creek-Dakota Gas Pool and the Ute Dome-Dakota Gas Pool together with any extensions thereof.

IT IS FURTHER ORDERED:

That the foregoing Special Rules and Regulations shall have no application in any area which is now or may hereafter be classified by the Commission as an oil pool in the Dakota formation.

IT IS FURTHER ORDERED:

That all purchasers of gas in the Basin-Dakota Gas Pool shall file preliminary nominations for the purchase of gas from said pool during the initial six-month period commencing February 1, 1961, said nominations to be filed with the Santa Fe office of the Commission on or before December 9, 1960.

IT IS FURTHER ORDERED:

That a case is hereby docketed for the Regular Commission Hearing in June, 1961, at which time the Commission will consider the necessity or desirability for establishing a maximum and minimum per well allowable in the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-2259-B.

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2504
Order No. R-2259-B

APPLICATION OF CONSOLIDATED OIL & GAS, INC.,
FOR AN AMENDMENT OF ORDER NO. R-1670-C,
CHANGING THE ALLOCATION FORMULA FOR THE
BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA
AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for rehearing at 9 o'clock a.m. on February 14, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of July, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-1670-C, entered by the Commission on November 4, 1960, established Special Rules and Regulations for the Basin-Dakota Gas Pool and adopted, by reference, Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670.

(3) That Rule 9(C) of the General Rules applicable to prorated gas pools in Northwest New Mexico, as set forth in Order No. R-1670, allocates production on the basis of 25 percent acreage plus 75 percent acreage times deliverability, hereinafter referred to as the 25-75 formula.

(4) That the applicant, Consolidated Oil & Gas, Inc., seeks amendment of the Special Rules and Regulations for the Basin-Dakota Gas Pool to allocate production on the basis of 60 percent acreage plus 40 percent acreage times deliverability.

(5) That the initial recoverable gas reserves in the Basin-Dakota Gas Pool, insofar as can be determined, total approximately 2.255 trillion cubic feet, of which approximately 96 billion cubic feet is attributed to marginal wells, which are permitted to produce at capacity.

(6) That the initial recoverable gas reserves underlying each non-marginal tract in the Basin-Dakota Gas Pool are as shown in Column C, Tract Reserves, of Exhibit A attached hereto and made a part hereof.

(7) That the percent of the total pool reserves attributable to each non-marginal tract in the Basin-Dakota Gas Pool is as shown in Column D, Percent of Pool Reserves, of Exhibit A.

(8) That it is impracticable to allocate production solely on the basis of the percentage of pool reserves due to the continuous fluctuation in reserve computations resulting from new completions in the pool and re-evaluation of reserves of existing wells.

(9) That the tract acreage factor for each non-marginal well in the Basin-Dakota Gas Pool is as shown in Column A of Exhibit A; that the deliverability for each non-marginal well, insofar as can be determined, is as shown in Column B of Exhibit A.

(10) That in the Basin-Dakota Gas Pool there is no direct correlation between deliverability and reserves, or acreage and reserves, and that, therefore, neither should be used as the sole criterion for distributing the total pool allowable among the tracts.

(11) That the most reasonable basis for allocating production in the Basin-Dakota Gas Pool is to determine, for each proposed formula, the percentage of total pool allowable apportioned to each non-marginal tract as compared to its percentage of total pool reserves, said relationship hereinafter referred to as the tract's A/R Factor, and to select the allocation formula that will allow the maximum number of wells in the pool to produce with an ideal tract A/R Factor of 1.0, or with a tract A/R Factor of from 0.7 to 1.3, which, due to inherent variance in interpreting and computing reserves, is within a reasonable tolerance.

(12) That the percentage of deliverability and the percentage of acreage included in the allocation formula affect the percentage of the total pool allowable assigned to each non-marginal well in the pool, thereby affecting the number of wells in the pool producing with a tract A/R Factor of from 0.7 to 1.3.

(13) That under the present 25-75 formula, correlative rights are not being adequately protected; that the protection of correlative rights is a necessary adjunct to the prevention of waste, and that waste will result unless the Commission acts to protect correlative rights.

(14) That, based upon the December 1962 pool allowable, a comparison of the number of non-marginal wells producing with a tract A/R Factor of from 0.7 to 1.3 under each formula as identified by an asterisk in Columns G and J of Exhibit A, and of the total volume of gas allocated to the wells in the 0.7 to 1.3 range under each formula, establishes that the proposed formula of 60 percent acreage plus 40 percent acreage times deliverability will more adequately protect correlative rights and prevent waste by permitting more wells to receive their just and equitable share of the gas in the pool, insofar as can be determined.

(15) That numerous wells in the Basin-Dakota Gas Pool are capable of draining more than their just and equitable share of the gas in the pool, and that an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as is practicable, prevent drainage between producing tracts which is not equalized by counter drainage.

(16) That an allocation formula of 60 percent acreage plus 40 percent acreage times deliverability will, insofar as it is practicable to do so, afford to the owner of each property in the pool the opportunity to use his just and equitable share of the reservoir energy.

(17) That Order No. R-1670-C should be amended to provide an allocation formula for the Basin-Dakota Gas Pool in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, based 60 percent on acreage and 40 percent on acreage times deliverability.

(18) That, due to the time required to administer a new allocation formula for a prorated gas pool, this order should not be effective until August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Basin-Dakota Gas Pool, as promulgated by Order No. R-1670-C, are hereby amended by adoption of the following:

RULE 9(C): The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the following manner:

1. Forty percent (40%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's "AD Factor" bears to the total "AD Factor" for all non-marginal wells in the pool.

2. Sixty percent (60%) of the pool allowable remaining to be allocated to non-marginal wells shall be allocated among such wells in the proportion that each well's acreage factor bears to the total acreage factor for all non-marginal wells in the pool.

(2) That Order No. R-2259 is hereby superseded.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

(4) That this order shall be effective August 1, 1963, the beginning of the next six-month proration period for the Basin-Dakota Gas Pool.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

EXHIBIT A

ORDER NO. R-2259-B

ALLOCATION FORMULAE 25 PERCENT ACREAGE 75 PERCENT ACREAGE TIMES DELIVERABILITY AND 60 PERCENT ACREAGE 40 PERCENT ACREAGE TIMES DELIVERABILITY

BASIN DAKOTA TRACT/POOL RESERVES AND ALLOCATION ARRANGED IN THE ORDER OF PIPELINE AND OPERATOR

DESCRIP.				COL A	COL B	COL C	COL D	25-75 FORMULA			60-40 FORMULA		
WELL	S	T	R	AF	DAILY DELIV	TRACT RES. MMCF	PCT. POOL RES.	COL E MCF ALLOW	COL F PCT. POOL ALLOW	COL G A/R FACTOR	COL H MCF ALLOW	COL I PCT. POOL ALLOW	COL J A/R FACTOR
EL PASO NATURAL GAS PIPELINE SYSTEM													
ADOBE OIL COMPANY													
1 G	20	31	13	92	330	947	.043866	3874	.05622	* 1.28	6322	.09177	2.09
1 G	19	27	11	1002	1333	3780	.175088	9477	.13755	* .79	9680	.14055	* .80
1 N	20	31	13	92	379	9500	.044000	4111	.05597	1.36	6448	.09362	2.13
1 N	28	31	13	1002	563	17355	.080360	5434	.07899	* .98	7524	.10921	1.36
1 A	5	30	11	1000	5566	20933	.096944	5398	.07833	* .81	7505	.10895	* 1.12
1 K	22	31	11	1000	5822	15788	.073099	5534	.08033	* 1.10	7577	.11000	* 1.50
1 N	14	31	11	1000	4388	20551	.095000	4778	.06933	* .73	7174	.10411	* 1.10
1 K	11	31	11	98	1638	23300	.106552	3267	.04744	.44	6276	.09115	* .86
1 K	33	31	11	1002	3755	21300	.098666	4447	.06445	.65	6998	.10155	* 1.03
1 G	21	31	13	1000	551	10000	.046322	5371	.07799	1.68	7491	.10877	2.35
AINSLIE PERRAULT INVESTMENT COMPANY													
1 M	20	25	9	1000	930	12000	.055588	7361	.10688	1.92	8552	.12412	2.23
AMERADA PETROLEUM CORPORATION													
3 N	23	25	5	1000	1688	50887	.235619	3360	.04888	.21	6418	.09311	.40
6 E	26	25	5	1000	3955	22597	.122029	4552	.06611	.55	7054	.10244	* .85
6 D	22	25	5	1000	9949	23881	.110288	5471	.07941	7.20	33809	.49066	4.45
9 D	16	25	5	1000	4174	25500	.115799	24395	.35400	3.06	17637	.25599	2.21
9 A	20	24	5	1000	2336	15000	.069477	14744	.21400	3.08	12489	.18122	2.61
AZTEC OIL AND GAS COMPANY													
3 D	34	29	13	1000	458	31645	.146555	4883	.07099	.48	7230	.10499	* .72
4 D	34	29	13	1000	2231	33755	.156332	8942	.12988	* .83	9395	.13633	* .87
2 D	22	28	13	1000	2588	30944	.143300	16067	.23332	1.63	13195	.19155	1.34
BAYVIEW OIL CORPORATION													
1 M	7	27	12	48	186	37226	.172588	1658	.02411	.14	3105	.04511	.26
BENSON MONTIN GREER DRILLING CORPORATION													
1 A	18	27	12	1000	1266	23022	.106622	3140	.04556	.43	6300	.09144	* .86
X 1 F	12	27	11	1000	1621	36222	.167766	10990	.15955	* .95	10487	.15222	* .91
1 A	34	28	13	1000	660	25999	.120388	5944	.08633	* .72	7796	.11311	* .94

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL										
PLAYBOY	00000	ZOO	16	6	1	0	6	6	9	1
CIA	DOO	OOO	7	3	1	0	6	6	9	1
BLACK	AOO	ZOO	7	3	1	0	6	6	9	1
58	000	000	7	3	1	0	6	6	9	1
MR.	ZOO	000	7	3	1	0	6	6	9	1
JOE	000	000	7	3	1	0	6	6	9	1
THE	AOOO	000	7	3	1	0	6	6	9	1
MEXX	000	000	7	3	1	0	6	6	9	1
A	000	000	7	3	1	0	6	6	9	1
ALEX	000	000	7	3	1	0	6	6	9	1
CAUD	0	0	7	3	1	0	6	6	9	1
COMPLEX	0000000	0000000	7	3	1	0	6	6	9	1
COMPLEX	000000	000000	7	3	1	0	6	6	9	1
COMPLEX	0000	0000	7	3	1	0	6	6	9	1
DELTA	000	000	7	3	1	0	6	6	9	1
STELLA	000	000	7	3	1	0	6	6	9	1

PAGE 5

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
1	1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9	9
10	10	10	10	10	10	10	10	10	10	10
11	11	11	11	11	11	11	11	11	11	11
12	12	12	12	12	12	12	12	12	12	12
13	13	13	13	13	13	13	13	13	13	13
14	14	14	14	14	14	14	14	14	14	14
15	15	15	15	15	15	15	15	15	15	15
16	16	16	16	16	16	16	16	16	16	16
17	17	17	17	17	17	17	17	17	17	17
18	18	18	18	18	18	18	18	18	18	18
19	19	19	19	19	19	19	19	19	19	19
20	20	20	20	20	20	20	20	20	20	20
21	21	21	21	21	21	21	21	21	21	21
22	22	22	22	22	22	22	22	22	22	22
23	23	23	23	23	23	23	23	23	23	23
24	24	24	24	24	24	24	24	24	24	24
25	25	25	25	25	25	25	25	25	25	25
26	26	26	26	26	26	26	26	26	26	26
27	27	27	27	27	27	27	27	27	27	27
28	28	28	28	28	28	28	28	28	28	28
29	29	29	29	29	29	29	29	29	29	29
30	30	30	30	30	30	30	30	30	30	30
31	31	31	31	31	31	31	31	31	31	31
32	32	32	32	32	32	32	32	32	32	32
33	33	33	33	33	33	33	33	33	33	33
34	34	34	34	34	34	34	34	34	34	34
35	35	35	35	35	35	35	35	35	35	35
36	36	36	36	36	36	36	36	36	36	36
37	37	37	37	37	37	37	37	37	37	37
38	38	38	38	38	38	38	38	38	38	38
39	39	39	39	39	39	39	39	39	39	39
40	40	40	40	40	40	40	40	40	40	40
41	41	41	41	41	41	41	41	41	41	41
42	42	42	42	42	42	42	42	42	42	42
43	43	43	43	43	43	43	43	43	43	43
44	44	44	44	44	44	44	44	44	44	44
45	45	45	45	45	45	45	45	45	45	45
46	46	46	46	46	46	46	46	46	46	46
47	47	47	47	47	47	47	47	47	47	47
48	48	48	48	48	48	48	48	48	48	48
49	49	49	49	49	49	49	49	49	49	49
50	50	50	50	50	50	50	50	50	50	50
51	51	51	51	51	51	51	51	51	51	51
52	52	52	52	52	52	52	52	52	52	52
53	53	53	53	53	53	53	53	53	53	53
54	54	54	54	54	54	54	54	54	54	54
55	55	55	55	55	55	55	55	55	55	55
56	56	56	56	56	56	56	56	56	56	56
57	57	57	57	57	57	57	57	57	57	57
58	58	58	58	58	58	58	58	58	58	58
59	59	59	59	59	59	59	59	59	59	59
60	60	60	60	60	60	60	60	60	60	60
61	61	61	61	61	61	61	61	61	61	61
62	62	62	62	62	62	62	62	62	62	62
63	63	63	63	63	63	63	63	63	63	63
64	64	64	64	64	64	64	64	64	64	64
65	65	65	65	65	65	65	65	65	65	65
66	66	66	66	66	66	66	66	66	66	66
67	67	67	67	67	67	67	67	67	67	67
68	68	68	68	68	68	68	68	68	68	68
69	69	69	69	69	69	69	69	69	69	69
70	70	70	70	70	70	70	70	70	70	70
71	71	71	71	71	71	71	71	71	71	71
72	72	72	72	72	72	72	72	72	72	72
73	73	73	73	73	73	73	73	73	73	73
74	74	74	74	74	74	74	74	74	74	74
75	75	75	75	75	75	75	75	75	75	75
76	76	76	76	76	76	76	76	76	76	76
77	77	77	77	77	77	77	77	77	77	77
78	78	78	78	78	78	78	78	78	78	78
79	79	79	79	79	79	79	79	79	79	79
80	80	80	80	80	80	80	80	80	80	80

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
WELL										
DATA	0	0	0	0	0	0	0	0	0	0
TEXT	0	0	0	0	0	0	0	0	0	0
TEXT	1	1	1	1	1	1	1	1	1	1
TEXT	2	2	2	2	2	2	2	2	2	2
TEXT	3	3	3	3	3	3	3	3	3	3
TEXT	4	4	4	4	4	4	4	4	4	4
TEXT	5	5	5	5	5	5	5	5	5	5
TEXT	6	6	6	6	6	6	6	6	6	6
TEXT	7	7	7	7	7	7	7	7	7	7
TEXT	8	8	8	8	8	8	8	8	8	8
TEXT	9	9	9	9	9	9	9	9	9	9
TEXT	A	A	A	A	A	A	A	A	A	A
TEXT	B	B	B	B	B	B	B	B	B	B
TEXT	C	C	C	C	C	C	C	C	C	C
TEXT	D	D	D	D	D	D	D	D	D	D
TEXT	E	E	E	E	E	E	E	E	E	E
TEXT	F	F	F	F	F	F	F	F	F	F
WELL										
DATA	0	0	0	0	0	0	0	0	0	0
TEXT	0	0	0	0	0	0	0	0	0	0
TEXT	1	1	1	1	1	1	1	1	1	1
TEXT	2	2	2	2	2	2	2	2	2	2
TEXT	3	3	3	3	3	3	3	3	3	3
TEXT	4	4	4	4	4	4	4	4	4	4
TEXT	5	5	5	5	5	5	5	5	5	5
TEXT	6	6	6	6	6	6	6	6	6	6
TEXT	7	7	7	7	7	7	7	7	7	7
TEXT	8	8	8	8	8	8	8	8	8	8
TEXT	9	9	9	9	9	9	9	9	9	9
TEXT	A	A	A	A	A	A	A	A	A	A
TEXT	B	B	B	B	B	B	B	B	B	B
TEXT	C	C	C	C	C	C	C	C	C	C
TEXT	D	D	D	D	D	D	D	D	D	D
TEXT	E	E	E	E	E	E	E	E	E	E
TEXT	F	F	F	F	F	F	F	F	F	F
PAN AMERICAN PETROLEUM CORP. - PELICAN LAKE UNIT 16-2	0	191	350	162	341	50	31	64	25	3
PAN AMERICAN PETROLEUM CORP. - PELICAN LAKE UNIT 16-2	1	191	350	162	341	50	31	64	25	3

DESCRIP WELL	S	T	R	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL H	COL I	COL J
2G	18	31	12	100	1856	2700	.12506	12224	.1774	1.42	11145	.1617	*1.29
1H	33	31	13	100	450	2000	.09263	4841	.0702	* .76	7208	.1046	*1.13
1G	10	31	13	100	438	2200	.10190	4778	.0693	.68	7174	.1041	*1.02
1H	3	31	13	100	658	2100	.09726	5933	.0861	* .89	7790	.1130	*1.16
1H	34	31	13	100	1076	1700	.07874	8128	.1179	1.50	8961	.1300	1.65
1K	30	31	12	100	962	2588	.11987	7529	.1093	* .91	8641	.1254	*1.05
1L	8	31	12	100	1387	1500	.06948	9761	.1416	2.04	9832	.1427	2.05
1J	27	31	13	100	682	1700	.07873	6059	.0879	*1.12	7857	.1140	1.45
1D	22	26	7	100	314	1900	.08801	4127	.0599	.68	6827	.0991	*1.13
1B	20	31	12	100	1182	2190	.10143	8685	.1260	*1.24	9258	.1343	1.32
1K	3	31	13	100	284	2130	.09866	3969	.0576	.58	6743	.0978	* .99
1K	35	31	13	100	490	2761	.12788	5051	.0733	.57	7320	.1062	* .83
2H	35	31	13	100	724	1578	.07308	6280	.0911	*1.25	7975	.1157	1.58
3L	26	31	13	100	313	1600	.07411	4122	.0598	* .81	6824	.0990	1.34
1N	15	31	13	100	373	2000	.09264	4437	.0644	* .70	6992	.1015	*1.10
1P	34	32	13	102	246	1800	.08337	3845	.0558	.67	6769	.0982	*1.18
1K	10	31	13	100	225	2100	.09726	3659	.0531	.55	6578	.0954	* .98
1N	24	31	13	100	298	2050	.09495	4043	.0587	.62	6782	.0984	*1.04
1M	19	31	12	95	1419	2400	.11116	9433	.1369	*1.23	9425	.1368	*1.23
2A	19	31	12	100	1642	2800	.12969	11100	.1611	*1.24	10546	.1530	*1.18
1N	13	31	13	100	756	2400	.11116	6448	.0936	* .84	8065	.1170	*1.05
1C	27	31	13	103	301	1600	.07411	4180	.0607	* .82	6994	.1015	1.37
1B	9	31	13	100	294	1800	.08337	4022	.0584	* .70	6771	.0983	*1.18
DELHI TAYLOR OIL CORPORATION													
1C	4	27	10	13	207	3130	.14497	463	.0067	.05	849	.0123	.08
3M	18	27	9	100	911	2300	.10653	7262	.1054	* .99	8499	.1233	*1.16
4F	18	27	9	100	908	2200	.10189	7246	.1051	*1.03	8490	.1232	*1.21
KERN COUNTY LAND COMPANY													
1N	36	25	6	100	1452	3208	.14859	10102	.1466	* .99	10014	.1453	* .98
KINGWOOD OIL COMPANY													
1A	13	27	10	100	630	2700	.12505	5786	.0840	.67	7712	.1119	* .89
1C	31	28	10	100	896	3100	.14359	7183	.1042	* .73	8457	.1227	* .85
D 1M	22	28	10	100	2365	8061	.37336	14896	.2162	.58	12571	.1824	.49
PAN AMERICAN PETROLEUM CORPORATION													
1M	28	28	10	100	918	4000	.18526	7298	.1059	.57	8518	.1236	.67
1H	21	28	10	100	5612	6000	.27791	31946	.4636	1.67	21664	.3144	*1.13
1H	22	28	10	100	4724	6075	.28137	27283	.3959	1.41	19177	.2783	* .99
1B	20	28	10	100	4064	4556	.21102	23818	.3456	1.64	17329	.2515	*1.19
1L	17	28	10	100	2092	6000	.27790	13463	.1954	* .70	11806	.1713	.62
1P	7	28	10	100	1516	4673	.21644	10438	.1515	* .70	10193	.1479	.68
1K	2	27	10	100	551	2500	.11579	5371	.0779	.67	7491	.1087	* .94
1H	33	28	10	100	1489	4000	.18527	10297	.1494	* .81	10117	.1468	* .79
1G	34	28	10	100	2122	4300	.19916	13620	.1977	* .99	11890	.1725	* .87
1H	32	28	10	100	2224	3972	.18397	14156	.2054	*1.12	12176	.1767	* .96
1L	1	27	10	100	173	2670	.12367	3386	.0491	.40	6432	.0933	* .75
1N	6	27	10	104	138	1841	.08527	3331	.0483	.57	6587	.0956	*1.12
1P	22	27	10	100	1051	2800	.12969	7997	.1160	* .89	8891	.1290	* .99
1B	9	27	10	100	805	4000	.18526	6705	.0973	.53	8202	.1190	.64
1N	3	27	10	100	951	4143	.19190	7472	.1084	.56	8611	.1250	.65
1M	16	27	10	100	441	2578	.11940	4794	.0696	.58	7182	.1042	* .87
1M	4	27	10	87	1155	4419	.20467	7432	.1079	.53	7988	.1159	.57
1A	8	25	5	100	1111	2056	.09523	8312	.1206	*1.27	9059	.1315	1.38
2K	5	25	5	100	1144	2381	.11028	8485	.1231	*1.12	9151	.1328	*1.20
3A	6	25	5	100	343	2273	.10528	4279	.0621	.59	6908	.1002	* .95
1H	21	27	10	100	1576	2700	.12506	10753	.1560	*1.25	10361	.1504	*1.20

DESCRIPTOR	COL A	COL B	COL C	COL D	COL E	COL F	COL G	COL I	COL J
WELL									
ARBUCKLE	0	0	0	0	0	0	0	0	0
RED FORK	0	0	0	0	0	0	0	0	0
VALLEY	0	0	0	0	0	0	0	0	0
PALAEOZOIC	0	0	0	0	0	0	0	0	0
SOUTH	0	0	0	0	0	0	0	0	0
SUNRAY	0	0	0	0	0	0	0	0	0

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. R-2259-C.

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

FEBRUARY 28, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 28th day of February, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2504
Order No. R-2259-C

APPLICATION OF CONSOLIDATED OIL & GAS, INC., FOR AN AMENDMENT OF ORDER NO. R-1670-C, CHANGING THE ALLOCATION FORMULA FOR THE BASIN-DAKOTA GAS POOL, SAN JUAN, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for reconsideration upon Applications of El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Sunset International Petroleum Corporation, and Southwest Production Company for Rehearing in Case No. 2504, Order No. R-2259-B,

NOW, on this 1st day of August, 1963, the Oil Conservation Commission, a quorum being present, having considered the Applications for Rehearing,

FINDS:

(1) That the Applications for Rehearing do not allege that the applicants for rehearing have new or additional evidence to present in this case.

(2) That the Commission has carefully considered the evidence presented in this case and is fully advised in the premises.

(3) That Order No. R-2259-B is proper in all respects.

(4) That the Applications for Rehearing should be denied.

IT IS THEREFORE ORDERED:

That the Applications of El Paso Natural Gas Company, Pan American Petroleum Corporation, Marathon Oil Company, Sunset International Petroleum Corporation, and Southwest Production Company for Rehearing in Case No. 2504, Order No. R-2259-B, are hereby denied.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

S E A L

E. S. WALKER, Member

esr/

A. L. PORTER, Jr., Member & Secretary

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission hereby certify that the attached is a true and correct copy of Commission Order No. AG-N-18-B.

A. L. PORTER, Jr.
Secretary-Director

MARCH 3, 1964

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 3rd day of March, 1964.

Notary Public

My Commission Expires:

September 22, 1965

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. AG-N-18-B

SUPPLEMENTARY GAS PRORATION ORDER FOR THE MONTH OF MARCH, 1964

The Commission held public hearing at Santa Fe, New Mexico, on February 13, 1964, at 9 o'clock a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for the month of March, 1964.

Blanco-Mesaverde, Basin-Dakota, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, South Blanco-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, West Kutz-Pictured Cliffs, Tapacito-Pictured Cliffs, and Devils Fork-Gallup.

NOW, on this 19th day of February, 1964, the Commission, a quorum being present, having considered the supplementary nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) That the total nomination of purchasers of gas produced from the above-listed nine gas pools for the month of March, 1964, is 35,634,122 MCF. The individual pool nominations, which total 35,634,122 MCF, are as follows:

Blanco-Mesaverde	14,678,850 MCF
Basin-Dakota	14,129,150 MCF
Aztec-Pictured Cliffs	781,600 MCF
Ballard-Pictured Cliffs	760,200 MCF
South Blanco-Pictured Cliffs	3,423,500 MCF
Fulcher Kutz-Pictured Cliffs	365,800 MCF
West Kutz-Pictured Cliffs	328,500 MCF
Tapacito-Pictured Cliffs	1,012,900 MCF
Devils Fork-Gallup (adjusted)	153,622 MCF

(2) That the potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed nine gas pools should be limited, allocated, and distributed during the month of March, 1964.

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 35,634,122 MCF without causing waste during the month of March, 1964, and an allocation based upon such production would be reasonable and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the month of March, 1964, the allowable production to be assigned the nine allocated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, is as follows:

Blanco-Mesaverde	14,678,850 MCF
Basin-Dakota	14,129,150 MCF
Aztec-Pictured Cliffs	781,600 MCF
Ballard-Pictured Cliffs	760,200 MCF
South Blanco-Pictured Cliffs	3,423,500 MCF
Fulcher Kutz-Pictured Cliffs	365,800 MCF
West Kutz-Pictured Cliffs	328,500 MCF
Tapacito-Pictured Cliffs	1,012,900 MCF
Devils Fork-Gallup	153,622 MCF

(2) That the allocation hereby set for the month of March, 1964, in the nine allocated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, shall be in accordance with the Commission Rules and Regulations, and Orders.

(3) That a proration schedule, duly prepared by the Commission and thereafter adopted for the month of March, 1964, is hereto attached and made a part hereof; it distributes and allocates the allowable production among the gas wells in the nine gas pools listed above for the period stated, in accordance with the Commission Rules and Regulations, and Orders.

The foregoing order shall remain effective until further order of the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/