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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 3, 1976

EXAMINER HEARING

-----  
IN THE MATTER OF: )

The hearing called by the Oil Conserva- ) CASE  
tion Commission on its own motion to ) 5632  
consider the amendment of the Special )  
Pool Rules for the Devils Fork-Gallup )  
Pool, Rio Arriba County, New Mexico. )  
-----

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

**sid morrison reporting service**  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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I N D E X

Page

A. R. KENDRICK

Direct Examination by Mr. Carr

3

EXHIBIT INDEX

OCC Exhibit No. One, Recommendations

6

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1 MR. STAMETS: We will call Case 5632, being  
2 a hearing called by the Oil Conservation Commission on its own  
3 motion to consider the amendment of the Special Rules for the  
4 Devils Fork-Gallup Pool, Rio Arriba County, New Mexico.

5 Call for appearances in this case.

6 MR. CARR: William F. Carr appearing for the  
7 Commission and the record should reflect that he has been  
8 previously sworn.

9 MR. STAMETS: The record will show that Mr. Kendrick  
10 has been sworn. Any other appearances? You may proceed.

11  
12 A. R. KENDRICK  
13 called as a witness, having been previously sworn, was  
14 examined and testified as follows:

15  
16 DIRECT EXAMINATION

17 BY MR. CARR:

18 Q. State your name and position for the record, please?

19 A. A. R. Kendrick, District Supervisor for the Oil  
20 Conservation Commission.

21 Q. Mr. Kendrick do your duties as District Supervisor  
22 include making recommendations to the Commission concerning the  
23 amendment of special pool rules in Northwest New Mexico?

24 A. They do.

25 Q. Are you familiar with the subject matter of Case

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1 5632?

2 A. Yes, sir.

3 Q. Would you please explain to the Examiner what the  
4 Commission is seeking in this case?

5 A. The Special Pool Rules for the Devils Fork-Gallup  
6 Pool provide for gas allocations based on oil recovery from  
7 the pool. At the present time all wells, gas wells and oil  
8 wells, are marginal wells in this pool. The volumetric with-  
9 drawal formula has served its purpose and, therefore, I  
10 recommend that the volumetric formula be dismissed with  
11 and that the gas allocation in this pool be assigned as it  
12 is assigned in the Angels Peak-Gallup Pool which is another  
13 associated reservoir of similar character and the gas alloca-  
14 tion is based on the oil allowable instead of a volumetric  
15 withdrawal formula and it would simplify our bookkeeping  
16 considerably because we are keeping a lot of books for a  
17 bunch of marginal wells.

18 Q. Are your recommendations contained in the form of  
19 an exhibit?

20 A. Yes, sir.

21 Q. Is that marked Oil Conservation Commission Exhibit  
22 One?

23 A. Yes, sir.

24 Q. Will you please summarize for the Examiner the  
25 changes which are set out on Exhibit One?

1           A.     All right.  In the Special Pool Rules for the Devils  
2 Fork Pool, Rules Six-A, Six-B, Seven-A and Seven-B, require  
3 preliminary nominations and supplementary nominations and  
4 allocations based on the nominations to the gas wells in this  
5 Pool and I recommend that they be deleted and that Rule Seven  
6 from the Angel Peak Pool be instituted, which is a straight  
7 acreage type allocation based on the oil allowable.

8                     In Rule Eight, the first four paragraphs relate to  
9 preliminary and supplemental nominations and tentative gas  
10 allowables to be assigned.  I recommend that that be deleted  
11 and that Rule Eight-A and Eight-B as are currently in the  
12 Pool Rules remain intact.

13                    I recommend that Rule Eleven, which is gas pool  
14 minimal allowable assignment of a million feet per month be  
15 eliminated.

16                    The pool balancing in the Rules Thirteen through  
17 all of Fourteen and Rules Fifteen-A, B, C and D be deleted  
18 and that the Angel Peak Rules Thirteen, Fourteen, Fifteen and  
19 Sixteen be instituted in their place.  This is the pool  
20 balancing by volumetric formula withdrawal and they be  
21 balanced as they are because of over-production or under-  
22 production in the oil well allocation.

23                    The classification of the wells in Rule Sixteen  
24 through Twenty should be eliminated because they will not be  
25 classified as gas wells as marginal or non-marginal and Rule

1 Twenty-eight needs to be deleted, which refers to the average  
2 reservoir pressure which is part of the calculation in the  
3 volumetric formula.

4 Q. Do you have anything further to add to your testimony?

5 A. No, sir.

6 MR. CARR: At this time, Mr. Examiner, I offer  
7 Oil Conservation Commission Exhibit One.

8 MR. STAMETS: Exhibit One will be admitted.

9 (THEREUPON, Oil Conservation Commission  
10 Exhibit One was admitted into evidence.)

11 MR. CARR: I have nothing further.

12 MR. STAMETS: Are there any questions of the witness?  
13 He may be excused.

14 (THEREUPON, the Witness was excused.)

15 MR. STAMETS: Are there any statements in this case?

16 MR. MANNING: E. R. Manning, El Paso Natural Gas  
17 Company. We are the operator of one well and the purchaser of  
18 gas in four other wells here in this field. We support the  
19 Commission in the simplification of the accounting procedures  
20 here. Thank you.

21 MR. STAMETS: Anything further in this case? We  
22 will take the case under advisement.

23

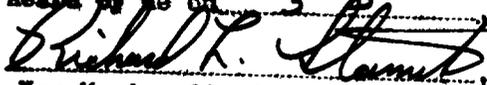
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
\_\_\_\_\_  
Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5632,  
heard by me on 3-3 1976.  
  
\_\_\_\_\_, Examiner  
New Mexico Oil Conservation Commission

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