

MERIDIAN'S CONCLUSIONS

- **The continuation of the Rule 11(b) provides needed flexibility to the proration system in the San Juan Basin;**
- **There will be a reduction in the gas sales from the San Juan Basin Prorated Gas Pools without the 12 times overproduction rule;**
- **New Mexico could lose United States domestic market share to Canadian gas imports if Rule 11(b) is terminated;**
- **It is premature to alter Rule 11(b) until both the Transwestern and El Paso Natural Gas Company pipeline expansions are in place and fully operational;**
- **Rule 11(b) has not been demonstrated to cause waste or to impair correlative rights; and**
- **There have been no adverse effects attributed to this Rule since the last hearing.**

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
Case No. 9018 Exhibit No. 9
Submitted By: _____
Hearing Date: _____