

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION

CASE NO. 11,829  
FINAL COMMISSION ACTION

1997

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

ORIGINAL

BEFORE: WILLIAM J. LEMAY, CHAIRMAN  
WILLIAM WEISS, COMMISSIONER  
JAMI BAILEY, COMMISSIONER

September 25th, 1997

Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, WILLIAM J. LeMAY, Chairman, on Thursday, September 25th, 1997, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

## I N D E X

September 25th, 1997  
Commission Hearing  
CASE NO. 11,829

PAGE

REPORTER'S CERTIFICATE

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## A P P E A R A N C E S

FOR THE COMMISSION:

LYN S. HEBERT  
Deputy General Counsel  
Energy, Minerals and Natural Resources Department  
2040 South Pacheco  
Santa Fe, New Mexico 87505

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   9:05 a.m.:

3           CHAIRMAN LEMAY: Good morning, this is the Oil  
4   Conservation Commission. My name is Bill LeMay. To my  
5   left, Bill Weiss. To my right, Commissioner Jami Bailey  
6   representing the Commissioner of Public Lands, State of New  
7   Mexico.

8           Thank you for being here.

9           We'll start with a little business. We have the  
10   minutes of the previous meeting. Do I hear a motion for  
11   acceptance?

12           COMMISSIONER BAILEY: I move we accept the  
13   minutes.

14           CHAIRMAN LEMAY: Second?

15           COMMISSIONER WEISS: I second.

16           CHAIRMAN LEMAY: So be it, the minutes have been  
17   accepted.

18                           \* \* \*

19  
20           CHAIRMAN LEMAY: Also, we have an order, Case  
21   Number 11,829, Order Number 10,887, which is the gas  
22   allowable for prorated pools in New Mexico beginning  
23   October, 1997.

24           Commissioner Weiss, is it your intent to sign  
25   that order today?

1 COMMISSIONER WEISS: Yes, it is.

2 CHAIRMAN LEMAY: Commissioner Bailey?

3 COMMISSIONER BAILEY: Yes, it is.

4 CHAIRMAN LEMAY: And likewise it's my intention  
5 to also sign that order.

6 So let the record show that final action has been  
7 taken on Case Number 11,829.

8 \* \* \*

9  
10 CHAIRMAN LEMAY: There's one other bit of  
11 business that, when we take a break, we'll discuss it with  
12 my fellow Commissioners, but -- I didn't even tell you all  
13 this, but we're having a couple days of hearing in October,  
14 and there's one other case that would like to be heard, and  
15 there's no way we could fit it in in the two days, Thursday  
16 and Friday, so we might want to get our calendars together  
17 at a break and see if there's another date short of the  
18 November hearing that we could maybe hear another case.

19 So that will be discussed during the break, but  
20 we may have to call a special hearing, which we can do if  
21 we give advertisement in October.

22 (Off the record at 9:07 a.m.)

23 (The following proceedings had at 10:05 a.m.)

24 CHAIRMAN LEMAY: A little business here before we  
25 get into the next case.

1           We've checked our docket and we've scheduled that  
2 case -- I don't have the number in front of me, but -- Do  
3 you remember it, Tom, what it is, offhand? Or do you have  
4 it, Florene?

5           MR. KELLAHIN: 11,755 and 11,723.

6           CHAIRMAN LEMAY: Okay.

7           MR. KELLAHIN: They're two cases, they're  
8 consolidated.

9           CHAIRMAN LEMAY: Consolidated.

10          We will send out -- what? Special meeting of the  
11 Commission on October 30th for those consolidated cases,  
12 and we have the hall reserved all day.

13          So we'll get some notification out.

14          MR. KELLAHIN: Mr. Chairman, if it's appropriate,  
15 opposing -- the other opposing counsel in that case are not  
16 present this morning. I think that I owe them the  
17 obligation, after this case is over, to call and make sure  
18 we can get all the witnesses and the lawyers on that date.

19          CHAIRMAN LEMAY: Please do so. Appreciate it if  
20 you would. Stressing the fact that the Commission is not  
21 too flexible on dates.

22          MR. KELLAHIN: Yes, sir, I understand.

23          CHAIRMAN LEMAY: So you must adjust your  
24 schedules to accommodate ours, plus the availability of the  
25 hearing room and everything else. The 30th is a good date

1 for us. We can get the hearing room. It's an off  
2 Thursday, so...

3 MR. KELLAHIN: I'll convey that message, Mr.  
4 Chairman.

5 CHAIRMAN LEMAY: Thank you. I appreciate your  
6 calling.

7 (Thereupon, these proceedings were concluded at  
8 10:06 a.m.)

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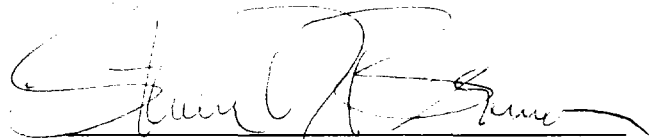
# CERTIFICATE OF REPORTER

STATE OF NEW MEXICO    )  
   )   ss.  
 COUNTY OF SANTA FE    )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL September 26th, 1997.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 1998



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

August 12, 1997

Mr. William J. Lemay  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco St.  
Sante Fe, New Mexico 87505

Re: Prorated Gas Allowable for October, 1997 through March, 1998.

Dear Mr. Lemay,

Marathon Oil Company operates thirteen (13) active gas wells in the Blinebry Oil and Gas Pool of Lea County, New Mexico or approximately 22% of the 1996 gas sales from this pool. In terms of F-1 allocation factors for non-marginal Blinebry gas wells, Marathon currently operates seven non-marginal wells with an F-1 factor of 2.75. Although we will not be presenting detailed testimony on the Blinebry Gas Pool at the August 14, 1997 Allowable Hearing, Marathon would like to express its position regarding the proposed gas allowable for the Blinebry Gas Pool.

Marathon Oil Company supports an F-1 Acreage Allocation Factor of 70,200 MCF per month. We believe that there is an adequate demand for Blinebry Pool gas to justify the current F-1 factor and that this F-1 factor will permit equitable sharing between the owners in this gas pool based on present/future production capacities. We also believe that this allowable will protect the current income of Blinebry Pool operators who have made significant investments in recompletion and development wells during the past several years and will enable operators to continue to develop their lease holdings in the future.

Sincerely yours

A handwritten signature in cursive script that reads 'J. S. Berkebile'.

J. S. Berkebile  
Engineering Manager  
Midland Operations

H:MTW/NMOCD