

BEFORE THE OIL
CONSERVATION COMMISSION
STATE OF NEW MEXICO

Transcript of Proceedings

Case No. 584

Regular Hearing
February 17, 1954

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9643 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 17, 1954
Wednesday
Afternoon Session

In the Matter of:

No testimony has yet been presented in this rehearing concerning the Eumont Gas Pool; it was continued upon request of applicant, Me-Tex Supply Company, after being advertised for rehearing January 21, 1954.

Case No. 584
Continued.

(Notice of Publication read by Mr. Graham).

MR. GIRAND: If the Commission pleases, W. D. Girand from Hobbs, New Mexico, representing Me-Tex. We feel that the decision of the Commission in the Jalco case might have quite an influence on whether or not our re-hearing shall proceed. In the light of that fact we would like for it to be continued more or less indefinitely until called by notice by the Commission until the Jalco matter is determined.

MR. SPURRIER: Is there objections to counsel's motion? In the absence of any objections we will continue the case indefinitely and we will reopen the case with proper notice.

MR. GIRAND: We would like it understood, if the Commission pleases, that our rights as they now exist under the temporary order of the Commission be preserved pending final determination.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }

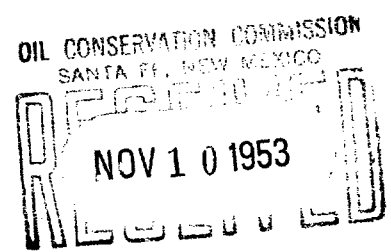
I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 584 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 20th day of February, 1954.

Ada Dearnley
COURT REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Before the
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico



TRANSCRIPT OF PROCEEDINGS

Case No. 584

October 28, 1953 - Special Hearing

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9643 AND 5-9346
ALBUQUERQUE, NEW MEXICO

-REGISTER-

SPECIAL HEARING	N. M. OIL CONSERVATION COMMISSION (Cases 584,585, 586, 601)	October 28,1953
-NAME-	-REPRESENTING-	-LOCATION-
W. S. Richardson	Malco Refining Inc.	Roswell
R. L. Boss	Gulf Oil Corporation	Ft. Worth
L. H. Foster	Anderson-Prichard Oil Corp.	Hobbs,N.M.
M. L. Melton	" " " "	" "
G. E. Stahl	Permian Basin P.L. Co.	Omaha,Nebr.
H. T. White	Phillips Pet Co.	Barttesville, Okla.
G. Hirschfeld	N.M. O. & G.E.C.	Hobbs,N.M.
N.P. Chesnutt	Southern Union Gas Co.	Dallas,Tex.
Clayton L. Orn	The Ohio Oil Co.	Houston, Texas
W. G. Abbott	Amerada	Monument, N.M.
D. K. Spellman, Jr.	The Ohio Oil Co.	Midland, Texas
C. M. Bumpass	Gulf Oil Corp.	Hobbs, N. M.
J. H. Vickery	The Atlantic Refg. Co.	Midland, Texas
Carl M. Hill	Lone Star Producing Co.	Dallas, Texas
Quilman L. Davis	Southern Union Gas Co.	Dallas, Texas
J. W. Adams	Morris R. Antweil	Hobbs, N. M.
Curtis Park	Lone Star Producing Co.	Dallas, Texas
L. A. Hanson	O.C.C.	Artesia
A. R. Ballou	Sun Oil Co.	Dallas
C. A. Hull	Shell Oil Co.	Midland
G. L. Tribble	Permian Basin Pipeline	Omaha
Rex D. Fowler	Permian Basin Pipeline	Omaha
H. E. Massey	Cities Service Oil	Hobbs, N. Mex.

October 28, 1953

-NAME-	-REPRESENTING-	-LOCATION-
E. H. Foster	Phillip "66"	Amando, Texas
U. D. Girand, Jr.	Me Tex	Hobbs, N. M.
James M. Murray	Me Tex	Hobbs, N. M.
J. W. Cole	Gulf Oil	Ft. Worth, Texas
J. R. Lutrell	Shell Oil	Midland, Texas
A. L. Hill	El Paso Nat. Gas	Houston, Texas
Aaron L. Colum	Delhi Oil Corp.	Dallas, Texas
Max EaCurry	Skelly Oil Co.	Hobbs, N. M.
Torrence E. Humble	Humble O. & Rfg. Co.	Roswell, N. M.
R. S. Dewey	Humble O. & Rfg. Co.	Midland, Texas
Joe L. Hudgins	Humble O. & Rfg. Co.	Midland, Texas
R. T. Wright	El Paso Natural Gas Co.	Jal, N.M.
F. N. Woodruff	"	Houston, Texas
G. A. Plummer	Lone Star Prod. Co.	Midland, Texas
A. M. Wiederkehr	Southern Union Gas Co.	Dallas, Texas
C. Beeson Neal	San Juan Drilling Co.	Farmington, N.M.
J. W. Baulch	El Paso Natural Gas	Jal, N. M.
Homer Dailey	Continental Oil Co.	Ft. Worth, Texas
V. T. Lyon	" " "	" " "
C. R. Bickel	Shell Oil	Hobbs, N. M.
C. C. Milson	Continental Oil	Hobbs, N. M.
Jason Kellahin	Samedan	Santa Fe, N. M.
Harvey E. Otell, Jr.	Lone Star Producing Co.	Midland, Texas
Ralph L. May	Buffalo Oil Co.	Artesia, N. M.

October 28, 1953

-NAME-	-REPRESENTING-	-LOCATION-
W. E. Scott	Buffalo Oil Co.	Midland, Texas
T. L. Ingram	Stanolind Oil & Gas Co.	Roswell, N. M.
W. A. Blankenship, Jr.	Stanolind Oil & Gas Co.	Roswell, N. M.
A. L. Panter, Jr.	O.C.C.	Hobbs, N. M.
E. C. Arnold	O.C.C.	Aztec, N.M.
R. R. Astor	Franklin, Astor & Fair	Roswell, N. M.
Earl Ainsworth	Permian Basin P.L. CO.	Omaha, Nebr.
Een Knight	Stanolind Oil & Gas	Roswell, N. M.
R. G. Hiltz	" " "	Ft. Worth, Texas
Jack M. Campbell		Roswell, N.M.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 28, 1953

In the matter of:

The Eumont Gas Pool, in Lea County,
New Mexico, said operators and interested
persons being called upon to show cause
at special hearing beginning at 9 o'clock
a.m. on October 28, 1953, why Order No.
R-370, Eumont Gas Pool, as amended at such
hearing, should not be effective and in full
force and effect as of November 1, 1953.

Case No. 584

BEFORE:

E. S. (Johnny) Walker, Commission of Public Lands
R. R. Spurrier, Secretary, Oil Conservation Commission

TRANSCRIPT OF PROCEEDINGS

MR. SPURRIER: The meeting will come to order, please. The first case on the docket this morning is Case 584.

(Notice of publication read by Mr. Graham.)

MR. SPURRIER: Any one have testimony to offer in this case?

MR. DAVIS: If the Commission please, Quilman Davis representing the Southern Union Gas Company. In the Langmat Pool yesterday, Southern Union offered testimony and exhibits concerning the proration of gas in that pool. With the Commission's permission, we would like to incorporate all of that testimony and exhibits in this hearing substituting, of course, the Eumont pool for Langmat through out and deleting anything that isn't applicable, of course, to this Eumont Pool. In that connection I might point out that there would be probably the question concerning the number of wells connected to Southern Union's system, the number of wells that we have drilled in the pool. Those, we would, of course, want to record.

MR. SPURRIER: Is there objection to counsel's motion?

MR. STAHL: Mr. Commissioner.

MR. SPURRIER: Mr. Stahl.

MR. STAHL: G. E. Stahl, Permian Basin Pipe Line Company. Might we have an opportunity to ask Mr. Wiederkehr one or two questions, which are particularly pertinent to the Eumont as distinguished from Langmat.

MR. SPURRIER: Certainly.

(Witnesses sworn.)

A. M. W I E D E R K E H R

having been first duly sworn, testified as follows:

Questions by MR. STAHL:

Q Mr. Wiederkehr, as I recall your testimony yesterday, with respect to the Langmat pool, you stated that Southern Union had certain gas purchase contracts with various producers. Is that also true with respect to the Eumont pool?

A It is true.

Q Do you happen to have a list or could you supply for the record the names of those producers, that you are purchasing gas from by virtue of these gas purchase contracts?

A The Eumont Gas Pool, Atlantic Refining Company, Continental Oil Company, Clark and Christy, Burt Fields, Me Tex, Nolan and Lane, Pacific Western Oil Corporation, Skelly Oil Company, Southern Union Gas Company, Aztec Oil and Gas Company, and we have made one connection since this list was prepared to Morris Antweil.

Q How many wells are you presently connected to in the Eumont Pool?

A Twenty one, I believe.

Q Twenty one. Are the contracts that you have in force and effect with the companies that you just listed, generally the same type of contract as discussed yesterday with respect to the Langmat Pool?

A Insofar as I know, they are.

Q Do they provide that with respect to internal proration of gas, by that I mean the formula that Southern Union uses to prorate among its various connections that acreage potential and shut-in pressure shall be included in such an internal proration formula?

A Those among others.

Q Are there other factors?

A Well, the contract specifies that due consideration should be given to quality and quantities of gas.

Q Do you also apply the same type of formula which I believe is 50 percent acreage and 25 percent potential and 25 percent shut-in pressure?

A We do.

Q Do those contracts also provide that the producers have a right to question any such formula as you may put into effect?

A As I stated yesterday, I don't know that they specifically give the company that right but they are made a part of a contract and I would assume that since the contracts are written and signed by both companies, specifying that these factors would be used that they would have the right at any time to ask how we were handling that particular part of the contract.

Q Those contracts were negotiated through Southern Union and these various producers?

A That is correct.

Q To your knowledge, had any of these producers ever objected to the method which you have utilized, by that I mean, Southern Union in your internal proration formula?

A I have heard no complaints.

MR. STAHL: That is all the questions I have.

MR. SPURRIER: Any one else have a question of this witness?

MR. ADAMS: John W. Adams representing Morris Antweil.

Questions by MR. ADAMS:

Q Mr. Wiederkehr, you stated you were connected to one Morris Antweil well. I would like to amend that to say it is two wells and

in an undesignated gas area. It is not in the Eumont Pool as yet?

A No, but it is in the area that I am assuming will be included in that area.

MR. SPURRIER: Any one else?

MR. FOSTER: How many wells in that pool?

A I don't know.

MR. SPURRIER: The witness may be excused. Any one else have testimony to present in this case?

(Witness excused.)

MR. A. L. HILL: Mr. Commissioner, El Paso would like to present brief testimony through Mr. Woodruff as the witness.

F. N O R M A N W O O D R U F F

having been first duly sworn, testified as follows:

Questions by MR. HILL:

Q Will you state your name for the record?

A My name is F. Norman Woodruff.

Q You are the same Mr. Woodruff who has testified in these proceedings going on in the last two or three cases, have you not?

A I am.

Q Do you have the number of wells that were productive in the Eumont field as of July of this year?

A I do.

Q Will you state that, please?

A There were 70 wells reported on the New Mexico Oil and Gas Engineering Committee report as of July, 1953.

Q Do you have the number of wells that were connected at that

time to the El Paso system?

A I do not find that I have that figure available to me or

available with me.

Q Do you have any idea of the approximate number?

A There were approximately seven wells connected at the be-

ginning of the year. However, we have been connecting additional wells rapidly through out this year to date and there is considerable development going on in this field which should cause our connections to continue to increase. Of the 70 wells I would estimate that we are probably connected to about one third.

Q You have made a study of this field with the idea in mind of coming up with your idea of the most workable and practical production formula that in your opinion should be applied, have you not?

A I have.

Q What is that formula?

A That formula is 50 percent acreage, plus 50 percent deliverability.

Q And your reasons for recommending that briefly are what?

A In this pool similarly as was true in the Langmat and Jalco Pools, we have an older field with pressure differential again. I

believe that to best protect the correlative rights of the operators presently producing from this field and to assure an orderly development in the future that the formula recommended will be a very economical formula or a very equitable formula. I believe I referred to economical instead of equitable in one or two places there and I meant equitable.

Q Mr. Woodruff, the test procedure which we submitted as an exhibit in the Jalco case outlining out ideas of deliverability test procedure as written and submitted is referred to the Jalco Pool only?

A That is correct.

Q Isn't it the intention of El Paso to recommend that that same test procedure be adopted for each of these pools?

A That is correct.

Q With only a modification of the recommended test period?

A That is correct.

Q Would you at this time state for the record what your recommendation is as to the test period for each of the pools involved in this series of hearings, please?

A I am recommending to the commission that a test period of October 1st, through December 31st of each year be designated as the annual test period for the Tubb, Jalco and Amanda Fields. I recommend that the period of December 1st through the end of the month of February be designated as the test period for the Langmat and Justis Pools. I have recommended a test period be established from the 1st of September through the end of April for the Blinbry, Eumont, Arrow and Byers-Queen Pools.

Q Did you mean September 1st through April?

A February.

Q Repeat that last, again.

A I recommend that a period of February through April be established for the Blinbry, Eumont, Arrow and Byers-Queen Pools.

Q Do you have any other comments to make at this time?

A I might mention that El Paso does not take gas from each of the fields mentioned here. However, I have attempted to cover all of the fields under question at these hearings, grouping them as I consider reasonable area wise and trying to distribute the number of tests so that there would be no great number to be taken in excess of that which would be required during any other test period.

Q As I understand it and particularly to the Langmat Pool and perhaps others, there are some very relatively small producers that are unable to produce any substantial quantity of gas against the high line pressures that prevail in the winter periods. Would it not be El Paso's desire that perhaps by obtaining exceptions from the Commission covering those wells to be enabled to test those wells during the summer time?

A I believe that would be advisable and would so recommend that the Commission consider giving such an exception with the provision that the deliverability test determined during the summer be corrected to a deliverability during the designated test period by adjustment with a shut-in pressure factor.

Q Do you have anything further to say on this?

A I believe not.

MR. HILL: That is all, Mr. Commissioner.

MR. SPURRIER: Any question of the witness?

Questions by MR. UTZ:

Q Why do you recommend the winter months rather than the summer months for taking the tests?

A I believe by testing in the winter months when the demand for

gas is normally greater that we will be able to test the wells more easily because of the higher allowable without resultant over production. We want to maintain flexibility of our pipe line system and not produce the total allowable if at all possible during a designated test period. I think we would more nearly accomplish that during the winter months.

Q You don't anticipate too much freeze up trouble then?

A I do not.

MR. UTZ: That is all.

MR. SPURRIER: Any one else? The witness may be excused.

Any one else wish to present testimony in this case?

(Witness excused.)

MR. DAVIS: Mr. Commissioner?

MR. SPURRIER: Mr. Quilman Davis.

MR. DAVIS: I would like to call Mr. Wiederkehr back for a couple of questions.

A. M. W I E D E I K E H R

recalled as a witness, having been previously duly sworn, testified further as follows:

Questions by MR. DAVIS:

Q Mr. Wiederkehr, yesterday during the hearing on the Langmat Pool we reserved the right to review the proposed method of determining deliverability test or making deliverability test as submitted by El Paso Natural Gas Company. Have you reviewed the revised program?

A I have.

Q Do you concur in the procedure outlined by El Paso?

A Yes, I do.

Q You have just heard Mr. Woodruff testify concerning the periods of making these tests and the other information relating to the deliverability test?

A I have.

Q Do you concur in his statements to that?

A Yes, I believe he is correct, particularly in stating that the tests should be taken through the winter months since Southern Union has a flexible and varying load. We will better be able to run the test during the winter time when our load is up thereby resulting in better tests.

MR. DAVIS: That is all.

MR. SPURRIER: Any one have a question of this witness. You may be excused.

(Witness excused.)

MR. SPURRIER: Does any one else have testimony to present?

MR. STAHL: With Permian Basin Pipeline Company. I don't have any testimony to present. However I do have an exhibit I would like to introduce into evidence in this case and in all of the other ones we have an interest in with the exception of the Amanda Pool. In general, this is being introduced with what we hope will be of some aid to the commission, if the commission decides to incorporate a deliverability factor. All it is, is some written definitions of deliverability, acreage factors and in general it is the method that Mr. Fowler developed in his testimony. We thought it might be beneficial to incorporate it into the record so that you and other interest parties might have it available to them. So, I will request that this Exhibit which is entitled "Exhibit Number 1, Permian Basin Pipeline

Company, Witness: Rex D. Fowler" be incorporated in the record.

MR. SPURRIER: Is there any objections? Without objections it will be admitted.

Exhibit No. 1
Witness: Rex D. Fowler

PERMIAN BASIN PIPELINE COMPANY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Case No. 582	Case No. 583	Case No. 584	Case No. 585
Order No. R-368	Order No. R-369	Order No. R-370	Order No. R-371
Case No. 586	Case No. 587	Case No. 589	Case No. 590
Order No. R-372	Order No. R-373	Order No. R-375	Order No. R-376

DEFINITIONS FOR INCLUSION WITHIN
NEW MEXICO OIL CONSERVATION COMMISSION RULES AND REGULATIONS

"Deliverability" Shall be deemed to be the ability of a gas well to produce gas against 80% of said gas wells shut-in pressure under stabilized flow conditions expressed in MCF per day. (Deliverability and shut-in pressure tests shall be taken in accordance with rules and regulations established by the Commission).

"Acreage Factor" Shall be deemed to mean the number of acres permitted by the Commission to be attributed to a gas well for proration purpose divided by the number of acres established by the Commission as a standard proration unit. A standard proration unit for the purpose of illustration is assumed to contain 160-acres. Expressed as a mathematical formula, said acreage factor may be set forth as follows:

$$\text{Acreage Factor} = \frac{\text{No. of Acres Attributable}}{160}$$

METHOD FOR DETERMINING MONTHLY CURRENT ALLOWABLE
FOR EACH GAS WELL WITHIN ANY GAS POOL.

1. Determine, in accordance with rules and regulations of the Commission, the total pool allowable to be allocated during the month under consideration to the participating wells within that pool.
2. Multiply the Acreage Factor for each well by its deliverability.
3. Summate the products determined in Item 2.
4. Determine the pool proration factor for the month by dividing the

total pool current monthly allowable (Item 1.) by the summation of Acreage Factor times Deliverability products (Item 3.)

5. Determine each wells current monthly allowable by multiplying the pool proration factor (Item 4.) by the product of Deliverability times Acreage Factor. (Item 2.)

MR. SPURRIER: Does any one have anything else?

MR. GIRAND: W. D. Girand, Jr., attorney for Me-Tex Supply Co.

MR. SPURRIER: Mr. Girand.

MR. GIRAND: In response to the show cause order issued by the Commission in the Eumont case, the Me-Tex Supply Company has prepared a written answer in the nature of an attack on the jurisdiction of the Commission to enter proration orders. If the Commission desires I will read it into the record or just file it with the Commission.

MR. SPURRIER: Why don't you do both?

MR. GIRAND: This is our response to the show cause order. "Comes Now Me-Tex Supply Company, a New Mexico corporation of Hobbs, Lea County, New Mexico, and files this its responseto the Order to Show Cause entered by the Oil Conservation Commission of the State of New Mexico in Case No. 584, being Order No. R-370, and for cause would respectfully show and represent to the Commission:

1. That Me-Tex Supply Company is the owner of an oil and gas lease covering Lots 5, 6, 11, 12, 13 and 14, in Section 3 Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico located within the pool delineation designated as the Eumont Gas Pool and has on said land two gas wells designated as the Me-Tex-Wallace State No. 2 located on Lot 12 and Me-Tex-Wallace State No. 3 located on Lot 14, and

by reason of its ownership within the area designated as Eumont Gas Pool it is an interested party and subject to Order No. R-370 of this Commission.

2. That the Commission is without power to put into effect the rules and regulations contained in Order R-356 in the Eumont Gas Pool for the following reasons:

(A) That under the laws of the State of New Mexico before the Commission is authorized to make rules and regulations providing for the proration of gas in a gas pool, the Commission must fix the allowable for such pool and no allowable has been fixed for the Eumont Gas Pool by the Commission.

(B) That prior to the fixing of an allowable in a gas pool and the entry of orders providing for the proration of gas and the spacing of wells, the Commission is required to obtain from the gas purchasers in said pool their nomination for gas from said pool which has not been done and the Commission is, therefore, without jurisdiction to make the proposed rules and regulations effective in the Eumont Gas Pool.

3. That under the laws of the State of New Mexico the Commission is without power and jurisdiction to put into effect the proposed rules and regulations insofar as said rules and regulations permit the production of more than one allowable from a producing gas well in the pool. That the laws of the State of New Mexico authorize the Oil Conservation Commission to establish proration units in a prorate gas field and to allocate the production of gas to such unit, but do not permit the consolidation of units so that more than one allowable

can be produced from one well.

4. That prior to the enactment of Chapter 168 of the Laws of 1949 Me_Tex Supply Company had drilled and was producing gas from two wells located in the area now designated as Eumont Gas Pool. That Me-Tex Supply Company is the owner of one 240 acre lease in said pool, as hereinabove described, upon which said wells are located. That at the time said wells were drilled they were drilled in accordance with the then rules and regulations of this Commission relative to the drilling and completing of gas wells. That said wells are legal wells as such term is defined in the statutes of New Mexico. That the rules and regulations proposed to be entered by the Commission insofar as they prohibit or deny to Me-Tex Supply Company the right to produce a full allowable from each of such gas wells drilled before the enactment of said gas proration law and before the adoption of the rules and regulations of the Commission, are unjust, unlawful and discriminatory and violate the constitutional rights of the said Me-Tex Supply Company in that they deprive Me-Tex Supply Company of valuable property rights without due process of law and without compensating Me_Tex Supply Company therefor.

WHEREFORE, Me-Tex Supply Company prays:

1. That the proceedings be dismissed or continued until such time as the allowable production of gas in the Eumont Gas Pool has been established by the Commission after notice of hearing in accordance with the provisions of the laws of New Mexico relating ther

2. That the rules and regulations proposed to be adopted by the Commission be amended and changed so as to provide that no more

than one allowable may be permitted to be produced from one gas well in the pool, such gas well to be located upon a determined and established proration unit.

3. That the proposed rules and regulations be amended so as to permit the production of a full allowable of gas from any well legally drilled and producing in the pool prior to the enactment of Chapter 168 of the Laws of 1949 and prior to the adoption of spacing and proration regulations in said pool even though such well may be producing from a unit of less than 160 acres."

MR. SPURRIER: Is there objection to counsel's motion? We will hold the ruling until later. In the meantime, we will go ahead and take the testimony. Does any one have anything else, have testimony in case 548?

MR. ADAMS: John W. Adams, I represent Morris Antweil, Hobbs, New Mexico. I wish to make a short statement of our position.

MR. SPURRIER: Make it loud and clear.

MR. ADAMS: We are the operator of gas properties in an undesignated gas area in Lea County. Geographically the nearest designated gas pool to our acreage is the Eumont. For this reason, we offer this statement in the Eumont hearing, if the Commission please. Regardless of eventual classification of our gas well as a new pool or extension to an existing one, we wish to be placed on record with these views regarding proration of gas wells in the area in which we produce. We feel that the Commission will arrive at a fair and equitable conclusion in the matter of derivation of a formula for allocation of individual gas well allowables and therefore make no recommendation.

However, since acreage assigned by the operator to a well will undoubtedly be a large factor in the finally adopted allocations formula, we, respectively submit to the Commission that it should not allow the acreage factor assigned to an individual well to exceed 160 acres. If the previously discussed plan to assign up to 640 acres to an individual well for proration purposes should be adopted, we feel that effectively a 640 acre spacing rule would be in use. The position of a well on 160 acre tract would merely bear one-fourth the weight in an allocation formula.

We understand that there are existing rules and regulations allowing an restricted designation of a near 640 acre to an individual well. It is our hope that the Commission consider favorably our recommendation that it take steps to delete, alter, or amend subgoverning language in order that any adopted allocation formula having acreage as a factor shall limit that factor to consideration of a maximum of 160 acres per individual well.

MR. SPURRIER: Any one else? If not, we will take the case under advisement.

MR. JACK CAMPBELL: Are you going to run down the list again for statements as in previous cases?

MR. SPURRIER: Well, if you want it?

MR. CAMPBELL: If you would. The statement made on Gulf Oil Corporation only.

MR. GIRAND: I have already made a response.

MR. STAHL: Yes.

MR. BICKEL: Statement made in behalf of Shell Oil Company.

MR. HILL: We would like it incorporated in this case.

MR. HILTZ: Yes.

MR. HINKLE: Yes.

MR. ADAIR: No.

MR. CAMPBELL: No.

MR. VICKERY: Yes, sir. I would like to have the statement made on the Eumont field.

MR. BALLOY for Sun.

MR. FOSTER: I would like to get Phillips Petroleum Company on that list.

MR. CURRY: I would also like to incorporate the Skelly Oil Company.

MR. KELLAHIN: Samedan Oil Company would like our statement to apply to this pool insofar as applicable in view of the fact that Samedan does not have an interest in the pool however.

MR. ORN: The Ohio Oil Company would like our statement on the Langmat to apply.

MR. LYON: V. T. Lyon with Continental Oil Company. Continental Oil Company would like to reiterate its position as being opposed to the formula proposed by Southern Union in this hearing.

MR. SPURRIER: Is there objection to any of these motions? If not, they will so appear in the record. If no one has anything further we will take this case under advisement, and move on to case 585, which relates to the Arrow Gas Pool.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter do hereby certify that the foregoing and attached transcript of proceedings was taken by me on October 28, 1953, that the same is a true and correct record to the best of my knowledge, skill and ability.

Reporter